Austria ... Sch. 18	Indonesia ... Rp 2600	Portugal ... Esc 80
Bahrain ... Din 0.650	Italy .... L 1300	S Arabia ... Rls 6.00
Belgium ... BFr 42	Japan Y550	Singapore . S$ 4.10
Canada ... C$1.00	Jordan ... Fils 500	Spain ..... Pta 110
Cyprus ... C£0.60	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... Dkr 7.25	Lebanon ... £L 8.00	Sweden ... Skr 6.50
Egypt ..... E£1.00	Luxembourg . LFr 42	Switzerland SFr 2.20
Finland ... Fmk 6.00	Malaysia ... Rin 4.25	Taiwan ... NT $85
France ... FFr 6.00	Mexico ... Pes. 300	Tunisia ... Din 0.600
Germany . DM 2.20	Morocco ... Dh 6.00	Turkey ..... L 210
Greece ..... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway ... Nkr. 8.00	U.S.A. $1.00
India ..... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,735

Tuesday September 24 1985

D 8523 B

Hong Kong faces growth rate decline, Page 5

The University of Jordan Serials Dept

World news

Pretoria 'may come to aid of Unita'

General Magnus Malan, the South African Defence Minister, hinted strongly at possible military intervention in support of Unita forces in southern Angola.

Two senior specialists on Namibian and Angolan affairs flew to Washington for talks with U.S. officials. The talks are expected to focus on the latest Cuban and Soviet-backed Angolan army offensive against Unita and to seek support for Unita.

South Africa may also be looking for U.S. support for Unita after repeal by the U.S. Congress of the Clarke amendment which prohibited financial or material aid to the rebel movement headed by Dr Jonas Savimbi. Page 5

Rebels killed

Israeli troops killed two armed guerrillas in the south Lebanon buffer zone, and elsewhere in the area one Moslem militiaman was killed and eight people were wounded when mines exploded. Fighting flared again in the northern port of Tripoli after 12 hours of truce talks between Sunni militia and Syrian officers.

Zulu plans rejected

Plans to consolidate the land area of the Zulu homeland, revealed by a South African Government commission, were immediately condemned by Chief Gatsha Buthelezi the Zulu leader as a "prescription for disaster." Page 5

Lunch box killers

Time bombs distributed by Sikh extremists in lunch boxes killed three children and damaged 12 cars in a violent end to campaigning for lections in Punjab state.

Ugandan looting

Looting by troops halted business life in Jinja, Uganda's second largest town, as the country's military rulers agreed to resume peace talks with guerrillas.

Shootings probe

President Ferdinand Marcos ordered an investigation into allegations that soldiers shot protesters in the central Philippines as they lay defenceless on the ground.

Politicians held

Pakistani police arrested five opposition politicians and surrounded the houses of 10 others in Islamabad to prevent them from meeting to discuss a bill legalising army rule.

Mexico keeps finals

Mexico will host next year's World Cup soccer finals as planned, despite extensive earthquake damage, the International Football Federation said.

Turks sentenced

Turkish martial law court in Istanbul sentenced an alleged member of the pro-Albanian Turkish Revolutionary Communist League to death and jailed 17 others for up to 24 years.

Women equal

Married Swiss women celebrated the prospect of equal rights with their husbands after voters approved a new marriage law

Coalition ruled out

British Labour Party leader Neil Kinnock ruled out a Labour-Alliance coalition in a hung parliament as a recipe for a "government of paralysis."

Prisoners warned

Portuguese warders fired warning shots to force more than 100 prisoners back into their cells after they had set fire to a top security jail at Vale de Judeus near Lisbon.

Accountant jailed

Gert Rudemeyer, formerly a senior accountant at the South African Electricity Supply Commission, was jailed for 12 years in Johannesburg for swindling the state corporation of nearly R7m ($2.8m).

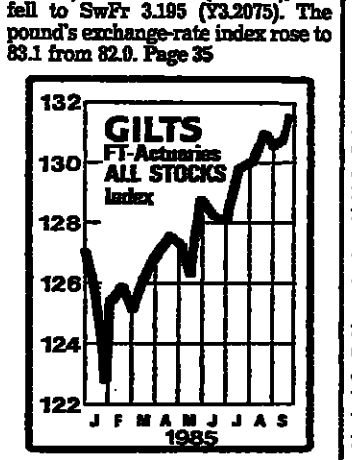
Business summary

Murdoch to buy rest of Fox

RUPERT MURDOCH, Australian-born publishing magnate, is to take *full control of 20th Century-Fox*, the U.S. film group, after his agreement to pay $325m for the 50 per cent stake held by Marvin Davis, Denver oilman. Murdoch's News Corporation bought 50 per cent of the film group for $250m in March. Page 20

DOLLAR fell in London to DM 2.7315 (DM 2.8440), FFr 8.345 (FFr 8.6775), SwFr 2.24 (SwFr 2.3415) and Y231.7 (Y240.05). On Bank of England figures the dollar's index fell to 134.5 from 139.6. Page 35

STERLING rose 5.7 cents in London against the dollar, to close at $1.427. It also rose to DM 3.8975 (DM 3.895), FFr 11.9075 (FFr 11.8875) and Y330.5 (Y328.75), but fell to SwFr 3.195 (Y3.2075). The pound's exchange-rate index rose to 83.1 from 82.0. Page 35



LONDON gilts recorded wide gains but leading exporting equities were depressed as sterling continued to rise against the dollar. The FT Ordinary share index closed 6.9 down at 995.3. Page 42

WALL STREET: By 3 pm the Dow Jones industrial average was up 17.14 at 1,315.08. Page 42

FRANKFURT shares were hit by the weaker dollar and the Commerzbank index dropped 13.9 from the record peak set on Friday to 1,538.9. Worst hit were car, chemical and electrical issues. Bonds surged. Page 42

GOLD rose $8 on the London bullion market to $327.50. It also rose in Zurich to $326.55 ($318.75). Page 34

U.S. embassy in New Delhi lodged a formal complaint with the Indian Ministry of Aviation at the way an Indian Airlines order worth up to $1.6bn was awarded to Airbus Industrie. Page 20

EUROBOND investors gave a mixed reception to three new dollar issues, fearing currency losses resulting from the sharp fall in the U.S. currency. Page 21

MOËT-HENNESSY, diversified French champagne and cognac group, announced a 40 per cent increase in first-half earnings before tax despite the poor champagne crop this year. Page 21

FIAT, leading Italian private-sector group, expects improved profits for 1985 after an 11 per cent rise in sales during the first half. Page 21

RICHARDSON-VICKS, U.S. health and skin care group, has raised the ceiling on shares it is prepared to acquire to fight off a takeover bid by Unilever, the Anglo-Dutch group, from 5m to 7m. Page 21

GILLETTE of the U.S. will manufacture razor blades in India from next year in a joint venture with Calcutta company Poddar. Some 48 per cent of the equity in the venture will be sold to the public. Page 21

WAH KWONG Shipping and Investment, the Hong Kong group controlled by the Chao family, reported an 11 per cent drop in interim profits for the first six months of 1985 compared with the same figures for last year. Page 23

TACOMA BOATBUILDING, struggling U.S. shipbuilder, has attempted to stave off moves by banks to call in their loans by filing for protection under the Bankruptcy Code.

PEUGEOT'S UK subsidiary, Talbot, is seeking the backing of its French parent company to build a new car, code-named D60, at its Ryton plant near Coventry.

Reagan to fight 'unfair practices' by trading partners

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan yesterday launched the second phase of his two-pronged strategy to head off protectionist moves in Congress with a statement on trade policy pledging help for U.S. businessmen by attacking unfair trade practices abroad.

His statement followed Sunday's decision by the leading industrial countries to work towards lowering the value of the dollar by closer co-ordination of their macroeconomic policies.

In a statement on trade policy – one the White House is saying underscores the heightened priority it is giving to tackling a U.S. trade deficit expected to reach $150bn this year – President Reagan pledged more aggressively to attack the unfair trade practices of foreign countries.

"I believe that if trade is not fair for all then trade is 'free' in name only," he said, adding: "I will not stand by and watch American businesses fail because of unfair trading practices abroad."

In a statement indicating that the U.S. is committed in principle to taking into account the international repercussions of its macroeconomic policies, Mr Reagan strongly endorsed the initiative taken by Mr James Baker, U.S. Treasury Secretary, in New York on Sunday, to try to improve the co-ordination of economic policy decisions among the *five leading industrial countries* (Group of Five).

"Yesterday I authorised Treasury Secretary Baker to join his counterparts from other major industrial countries to announce measures to promote stronger and more balanced growth in our economies and thereby the strengthening of foreign currencies," the President said.

The White House also explicitly stated that lowering the value of the dollar was one of its policy objectives.

There has been no indication, however, that the President has authorised new initiatives to attack the $200bn federal budget deficit, an effort many economists believe is essential if the improved international co-ordination of economic policies is to be translated into effective action.

Mr Reagan's new trade policy statement seems carefully drafted to try to erode support for protectionist legislation on Capitol Hill while preserving the U.S. commitment to broadly free trade principles. It is a combination of rhetoric, recently announced initiatives and suggestions for congressional legislation much of which has been anticipated and which is not likely to satisfy the more fiercely protectionist politicians.

Neither is it likely to deflect the criticisms of the rival Democratic Party, which sees in the trade issue a vehicle through which it can at*tack the President's economic policies* and bolster its chanres in next year's mid-term elections.

But there are some signs that already the President's assault on protectionism is paying off. The textile industry, whose Import Quota Bill is the most widely supported in Congress, is reportedly weakening key provisions.

At the outset of his speech on trade policy yesterday, Mr Reagan reiterated his gut commitment to free trade "Let me say at the outset that our trade policy rests firmly on the foundation of free and open markets; free trade," he said.

He announced that he would seek legislation in Congress to give the U.S. authority for a new round of multi-lateral trade talks in the General Agreement on Tariffs and Trade (Gatt).

The President emphasised, however that the U.S. was determined more vigorously to seek access to foreign markets and to attack the unfair trade practices of its trading partners.

With these objectives in mind, the President is launching a 300m "war chest" which will be used to make grants to foreign importers in order to compete with similar grant-aided exports by America's trade competitors.

Continued on Page 20

Editorial comment, Page 18; Lex, Page 20

Europe takes cautious line on interest rates

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

U.S. AUTHORITIES have assured their major Western allies that, as part of a general agreement to depress the dollar, they will try to prevent their interest rates rising.

It also seems that interest rates in Europe may not fall as fast as they might have done in the absence of this weekend's agreement between finance ministers of the five leading industrial countries.

Yesterday in London, Mr Nigel Lawson, UK Chancellor of the Exchequer, said: "It would be inconsistent with the agreement that we have reached if the U.S. were to raise its interest rates."

Mr Lawson was notably cautious about the immediate future for interest rates in Britain and other European countries, although he said that the U.S. might perhaps like Japan to raise its rates.

However, the indications yesterday were that European authorities would be particularly cautious about cutting short-term interest rates until the dollar has been firmly established on a downward path.

In Britain, where interest rates are considerably higher than elsewhere, the Chancellor of the Exchequer has made clear that he wants to cut interest rates as soon as he judges that inflationary pressures have eased. He has said that a lower level of the dollar might help.

Yesterday, however, he said the five-power agreement would make no difference to domestic monetary policy, which has been notably cautious in recent months.

Mr Lawson also cautioned that it would be wrong to expect too much from official intervention in the foreign exchange markets although he added: "Even the Americans now agree that in the right way and at the right time it can have some effects."

He said the main purpose of the agreement was to ease some of the pressures for protectionist measures in the U.S. and to help President Ronald Reagan to maintain his anti-protectionist stand.

In Paris, M Pierre Bérégovoy, France's Finance Minister, said a "secret plan" had been agreed to intervene in the foreign exchange markets if they did not respond to the signals from the authorities. He was especially pleased by the general recognition that floating exchange rates did not reflect economic realities.

In Bonn, Herr Gerhard Stoltenberg, West German's Finance Minister, said the agreement implied no intention among European governments to relax their cautious economic policies. He said market intervention would be directed mainly to encouraging existing trends rather than to trying to reverse them.

In Frankfurt, West German monetary officials suggested that, since Mr James Baker became Treasury Secretary, the U.S. Administration had looked more favourably on ideas for official co-operation to push the dollar down. This view was echoed in London where an official said a similar agreement could not have been concluded a year ago.

Fixed-rate repackaging for small part of Britain's $2.5bn floater

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PART OF Britain's $2.5bn floating rate note issue has been repackaged for sale to investors in fixed-rate form just a week after its original launch.

The new deal, amounting to $100m, offers investors in the bond market a rare opportunity to buy what are effectively fixed-rate British government bonds denominated in dollars and could add to the demand for the original floating rate issue by bringing new investors into play.

It was announced yesterday by Hill Samuel, Barclays Merchant Bank and Merrill Lynch who have set up a special company, Bearer Eurodollar Collateralised Securities (Becs), as the vehicle for the issue.

Becs has bought $102m worth of the floating rate notes and through a three-year interest rate swap in the money markets has converted them into fixed-rate bonds for onward sale to investors. The paper bears a coupon of 9⅝ per cent and an issue price of 100¼.

The deal does not represent a direct borrowing by Britain in the market, but the new fixed-rate bonds are effectively fully secured against holdings of UK Treasury paper.

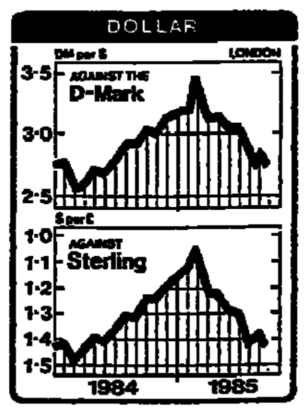
The operation bears testimony to the growing sophistication of the world's money and bond markets which can now use devices such as swaps to repackage many forms of debt.

In the process new pockets of demand for the original debt can be tapped, which in this case include both institutional and retail buyers of dollar bonds who prefer fixed to floating rate issues.

The new issue met a moderately good reception in a generally weak Eurobond market yesterday afternoon, trading at a discount of about 0.9 per cent compared with its total fees to co-managers of 1⅜ per cent.

The fact that it could be arranged at a profit to the managing banks left some bond market specialists last night arguing that Britain could have raised its original $2.5bn on even cheaper terms.

British officials said last night they were, however, still happy with the deal arranged last week. It was easy to repackage $100m but would be much harder to repackage $2.5bn.



$ falls to 15-month low point

By Philip Stephens in London

THE THREAT of concerted intervention against the dollar after the weekend talks of the Group of Five industrial nations sent the U.S. currency tumbling to its lowest level since June 1984 yesterday.

In what dealers described as frantic trading, the dollar lost over 3½ per cent of its value within hours of the opening of foreign-exchange markets in the Far East and Europe.

The fall, prompted by the announcement that the central banks of the U.S., Japan, West Germany, Britain and France were prepared to intervene more readily against the dollar, was one of the steepest on record.

Dealers said that news of the intervention agreement brought a flood of selling orders for the U.S. currency. "We were bruised and bloodied and certainly bowed," one senior London dealer commented.

With the dollar falling so sharply, the central banks apparently limited their intervention in Asian and European trading to a token sale of $8m by the West German Bundesbank.

After stabilising in afternoon trading, the dollar closed in London at DM 2.7315, 11.15 Pfennigs below last Friday's level. Benefiting from the rush out of dollars, sterling closed 5.7 cents higher at $1.4270, only fractionally below its best level of the year.

The pound's recovery, also reflected in a 1.1-point rise in the sterling index, led to a significant fall in UK wholesale interest rates and strong gains for UK government bonds.

That led to some speculation in London that there might be scope for a small cut in the leading banks' base lending rates ahead of next month's Conservative Party conference. The initial optimism was dampened, however, by a cautious response from Mr Nigel Lawson, the Chancellor of the Exchequer.

The dealers said the extent of the dollar's retreat yesterday in large part reflected a reflex reaction to the possibility that the U.S. Federal Reserve was ready to join other central banks in actively seeking to drive down the value of its own currency.

Military claims against Fabius deepen crisis

BY DAVID HOUSEGO IN PARIS

M LAURENT FABIUS, the French Prime Minister, yesterday dismissed *as "a tissue of lies" allegations* that he knew soon after the Greenpeace ship, the Rainbow Warrior, was sunk that the two people arrested by the New Zealand authorities were French agents.

The allegations seemed likely to push the Prime Minister into deeper political trouble since they pointed to a struggle between the Government and the armed forces over possible further purges in the DGSE, the foreign intelligence service.

M Paul Quilès, the new Minister of Defence, meanwhile was reported to have found that key documents relating to the Greenpeace affair had been destroyed before he took over his job on Saturday.

Citing senior military sources, Europe 1, the French radio station, said M Fabius had been told of the two agents' identities soon after their detention in New Zealand.

The radio station claimed that Admiral Pierre Lacoste, who was dismissed last week as the head of DGSE, had proposed through M Charles Hernu, who was Minister of Defence until his resignation last Friday, that negotiations be opened with the New Zealand authorities for their release.

A Portuguese photographer on board the Rainbow Warrior was killed when it was blown up in Auckland harbour on July 10.

In a broadcast on Sunday night, M Fabius confirmed for the first time that the DGSE had been responsible for the sinking of the Rainbow Warrior.

He sought, however, to soothe opinion within the armed forces by promising that no legal action would be taken against those involved as they had been obeying military orders.

The armed forces none the less seem concerned that the appointment of a new head of the DGSE at Wednesday's Cabinet meeting will be the prelude to a further purge. They are also concerned to protect the DGSE and Admiral Lacoste against further discrediting.

The senior military sources quoted by M Charles Villeneuve, Europe 1's defence correspondent, were insistent that in blowing up the Rainbow Warrior the DGSE had been acting under political instructions.

The "leaks" to M Villeneuve and the destruction of key Ministry of Defence papers on the Rainbow Warrior operation appear part of a deliberate campaign to ensure that the DGSE is not sacrificed to protect the Prime Minister or the President.

Laurent Fabius

The growing political damage to President François Mitterrand's regime was reflected in comments yesterday by M Jacques Chaban-Delmas, a former Gaullist Prime Minister who is normally sympathetic to M Mitterrand. He said that "the credit of France has been impaired and with it the credit of the President."

M Fabius is now in the acutely difficult situation of having to provide a credible answer to the central question of who ordered the blowing up of the Rainbow Warrior – without incriminating either the armed forces or the administration of which he is leader.

He had obviously hoped that his declaration on Sunday would halt the downward slide on which President Mitterrand's administration now seems to be heading. But apart from provoking concern from the armed forces, his offer of a parliamentary commission into the affair was treated offhandedly by the opposition. M Alain Madelin, a right-wing political leader, said that a judicial inquiry was needed.

After M Fabius's admission that the DGSE had blown up the boat, both Greenpeace and the New Zealand Government are now seeking compensation. M Fabius said yesterday that he was "distressed" at the damage done to Franco-New Zealand relations.

According to the allegations carried on the radio, M Fabius declined the proposals, made in July, by the DGSE to negotiate with the Wellington authorities over the relief of the so-called "Turenge" couple, who are still in prison in New Zealand. The reason he gave was that there could be no public avowal of French resposibility.

M Fabius took the first step on Sunday night towards shifting political responsibility for the Rainbow Warrior operation and subsequent cover-up on to M Hernu's shoulders when he said that senior officers had concealed the truth from the official Tricot inquiry.

Details, Page 3

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CONTENTS

EUROPEAN NEWS

Atomic agency pressed to act on S. Africa

BY PATRICK BLUM IN VIENNA

THE INTERNATIONAL Atomic Energy Agency (IAEA) general annual conference which opened in Vienna yesterday heard renewed calls for action against South Africa and Israel and demands from developing countries for more funds to be allocated for technical co-operation to help them develop nuclear power.

In recent years there have been growing demands for action against South Africa especially from black African states which argue that it has developed the ability to make nuclear weapons.

A resolution agreed last year called on countries to end all nuclear co-operation with South Africa and to stop all supplies of fuels and technology which could be used for developing a nuclear weapons capability.

It also called on all member states to stop buying Namibian uranium and on South Africa to open up all its nuclear instalations to IAEA inspection.

In his introductory report to the conference Herr Hans Blix, IAEA director-general, said there had been no progress on full-scale safeguards inspections in talks with South Africa. Agency officials say they expect further resolutions this year calling for sanctions against South Africa.

Israel has faced similar calls following its bombing raid in 1981 on an Iraqi nuclear research reactor.

Israel has also been called upon to open all its nuclear facilities to IAEA inspection. Herr Blix said that despite numerous contacts with the Israeli government his efforts had remained inconclusive.

New moves against Israel are expected but these will be firmly resisted by the U.S. which temporarily withdrew from the agency three years ago and threatened to pull out permanently if sanctions were applied against Israel.

Mr Danny J. Boggs, U.S. Deputy Secretary of Energy and head of the U.S. delegation at the conference, yesterday warned of the U.S. concern at moves to "deny membership or limit the rights of participation" of some states. Mr Boggs, who opened the debate by reading out a message from President Reagan praising the work of the IAEA, urged delegates to put aside political disputes."

Dutch expected to reject Star Wars research offer

BY LAURA RAUN IN AMSTERDAM

THE DUTCH Government is expected to reject the U.S. invitation to participate in its Star Wars research programe, further dividing international response to the $26bn (£20bn) Strategic Defence Initiative (SDI).

The Cabinet plans to send a letter explaining its position to the lower House of parliament this week or next, which would be the first official Dutch response to the space-based anti-missile programme.

However, Mr Gijs Van Aardenne, Economics Minister, last week reiterated the Government's policy that Dutch companies are free to take part individually in Star Wars, regardless of the administration's position.

Britain, West Germany, Italy and Japan are leaning toward official participation, with a number of government and industrial leaders from those countries already negotiating with Washington.

France, however, flatly has turned down the U.S. offer while Denmark and Canada formally have said "No"

John Lloyd on an important move in international trade union co-operation

Mineworkers breach the Iron Curtain

THE CREATION, in Paris at the weekend, of the International Federation of Mining and Energy Workers (Féderation Internationale des Travailleurs des Mines et de l'Energie) is a development of very great importance for three reasons:

● It brings under militant leadership a range of unions in the West and in the Third World, some of which could have a very substantial industrial political leverage;

● It breaches, for the first time in over 30 years, the iron curtain which has separated Communist trade union federations and their allies from the bulk of those operating in the market economies in other parts of the world;

● The IFMEW could, if it takes off, attract the allegiance of other miners' and energy workers' unions, throwing the International Confederation of Free Trade Unions (ICFTU) – the Western union bloc – into real confusion and posing a substantial challenge on the industrial relations and the political/diplomatic fronts.

Mr Arthur Scargill, the president of the British National Union of Mineworkers (NUM) and of the new federation, has already approached Mr Ron Todd, general secretary of Britain's Transport and General Workers' Union, to persuade him to affiliate his members in power stations, oil and chemical companies.

No commitments have been given, but Mr Scargill said he has not been rebuffed.

The organisation is made up of around 40 unions of miners and energy workers. The core of the organisation is the Soviet, Polish and other East European unions together with groups such as the Syrian and Iraqi mine and energy workers who make up the Miners Trade Union International (MTUI) section of the World Federation of Trade Unions, the Communist union bloc.

That section dissolved itself on Friday night into the IFMEW: the Communist unions have clearly taken a joint view that their interests – and therefore those of their states of which they are an integral part – are best served by joining the organisation.

The Western miners' grouping – the Mineworkers International Federation (MIF) which the British miners helped to found with the West German, French, Belgian and Austrian unions in 1890 – remains in being and is bitterly hostile to the new group.

Mr Scargill led his delegation out of its 1983 conference in Essen after Herr Adolf Schmidt, president of IG Bergbau und Energie and of the MIF, refused to allow him to move the proposition that the MIF dissolve itself into the proposed new trans-continental organisation.

Though the MIF has more than 30 affiliates, including unions from India, Italy, Japan, Nigeria, Spain and Sweden, the British and the West Germans were the mainstays: the United Mineworkers of the U.S. were sometimes in, sometimes out as they are now and could never be relied on.

The Communist-led MTUI has tried in the past – notably in 1970 – to draw closer to its Western counterpart; but has been spurned.

Now, among unions other than those of the Soviet bloc which have either affiliated or are showing interest, are unions from Nicaragua and Chile as well as Cuba, 10 African states, Syria, Iraq, Kuwait and Egypt; the left-led Australian miners and the Greek miners.

Mr Scargill, as befits his role as the progenitor of the federation, has been elected its president: M André Simon, the former general secretary of the MTUI, will be its general secretary. The two vice-presidents are Mr Mikhail Szrebny, chairman of the Soviet miners who in terms of numbers of members, at least, packs the most powerful punch and Mr Barry Swann, leader of the Australian miners.

Six committees have been formed, the most powerful of which – the political and general committee – is chaired by Mr Peter Heathfield, the UK NUM general secretary.

The six committee chairmen form, with the four top officials, the guiding "bureau" of the federation. They are joined by the six representatives of the European continental areas within the organisation to make up its executive.

It will have its headquarters in Paris, with its first sub-office in Sheffield, England – a fact of which Mr Scargill is particularly proud.

All of the leading officials of the new federation are either Western leftists, Communists from the Eastern bloc, or radicals from the Third World, and the body's political orientation will reflect this.

The most prestigious catch for the IFMEW would be the South African NUM, which has taken over from its British counterpart the highest profile among the world's mining unions. Mr Scargill said Mr Cyril Ramaphosa, the South African NUM's leader, was interested in the new federation when it was first mooted, but has since been wooed into the MIF camp. According to MIF officials he will stay there.

Minister backs plans for PTT

BY LAURA RAUN IN AMSTERDAM

PROPOSALS to partially privatise the Dutch Post and Telecommunications Agency (PTT) were given a boost over the weekend when Mrs Neelie Smit-Kroes, the Transport Minister, endorsed recommendations to break the PTT's monopoly in certain areas.

Mrs Smit-Kroes, who is directly responsible for the agency, said she generally favoured the findings of the Steenbergen Commission, which recommended that the supply and installation of telephones and other equipment be opened to private competition.

The Government - appointed commission said the PTT should be spun off into a limited liability company wholly owned by the state and divided into three subsidiaries: Telecommunications equipment, telecommunications services and traditional postal services.

Mrs Smit-Kroes and Mr Gijs van Aardenne, the economics minister who indirectly controls the PTT, plan to submit concrete proposals on the PTT's future to the Cabinet next month. The structure could take effect at the beginning of 1989.

Under the commission's recommendations, the telecommunications equipment subsidiary would compete with private companies in the sales, installation and maintenance of business telephone switchboards, videotex, video conferencing and electronic mail, for example.

The telecommunications services subsidiary, however, would retain its monopoly in operating the communications network and maintaining the infrastructure.

The postal subsidiary would continue to provide traditional mail delivery and telex services. The PTT already competes with private companies that provide package delivery and courier services.

Mr Cor Wit, the head of the PTT, recently came out in favour of the broad lines of the Steenbergen Commission, which was released last July. But he argued that if the PTT is to be privatised, it must be able to borrow on the capital market and independently determine its own investment plans. Mr Wit also asserted that the equipment and services activities didn't require two separate subsidiaries.

Under the proposed structure, general supervision of the PTT corporation would be carried out by a board of directors although the government and parliament would have a role in the telecommunications services utility. Regulations for the services utility and the equipment subsidiary would be promulgated by the still-to-be-designated cabinet ministry.

● The Dutch right-of-centre Liberal party will choose its leader for the May 1986 general elections at a party congress on February 1. It was originally thought that the leader of the candidates' slate would be chosen last weekend. The Liberals, junior partners in the governing coalition, did meet on Saturday but instead discussed their party platform for the forthcoming campaign.

Polish workers' council challenges ban on meeting

BY CHRISTOPHER BOBINSKI IN WARSAW

THE democratically-elected Polish workers' co-management council at the major Elana chemical fibre works in Torun yesterday voted to challenge the Government order banning a meeting of workers' councils from some of Poland's largest factories which was to have started there today.

The two-day conference, which would have been the first gathering of councils from various industries since the movement was set up three years ago as part of Poland's decentralising economic reforms, was to have been devoted to discussing progress in changing the country's economic system.

Councils from the Szczecin shipyard, the giant copper-producing combine in Lubin, the FSO car works in Warsaw, as well as the Pafawag locomotive works in Wroclaw, had been among the dozen which had accepted the Elana invitation.

But late last week Prof Edward Grzywa, chemical industry minister, called the meeting illegal and ordered the Elana manager to call it off while threatening to suspend the Elana council if it went ahead.

So far, the authorities have been ready to tolerate the freely-elected councils, some 10 per cent of which, nationwide, have shown the will to use their wide-ranging management prerogatives.

But the latest move shows that the Government is taking care not to permit the councils to co-ordinate policy among themselves.

The Elana challenge will now go to the courts which will have to decide if the meeting was indeed illegal, in the light of the self-management law passed during the 1981 heyday of Solidarity, the banned trade union, which gives the councils the right to co-operate among themselves.

Reuter reports from Warsaw: Poland's leader Gen Wojciech Jaruzelski, arrives in the U.S. today to make a speech at the United Nations General Assembly, intended to signal his country's full return to the international arena after the Solidarity crisis.

It will be his first visit to the West since he took over the party leadership at the height of the authorities' confrontation with Solidarity in 1981.

W. German minister rejects call to resign

By Rupert Cornwell in Bonn

HERR FRIEDRICH Zimmermann, the embattled West German Interior Minister, again rejected suggestions yesterday that he should resign in the wake of the continuing spy scandal embarrassing the centre-right Government.

Demand that the head of the truculent Herr Zimmermann should roll have multiplied since the double defection, discovered a week ago, of Herr Herbert Willner and his wife who had worked for 12 years in the Federal Chancellery. The Interior Minister had been warned more than two months earlier that the couple represented a possible security threat.

But, speaking before a session of the Bundestag Home Affairs committee convened to examine the affair, Herr Zimmermann served notice that he had no intention of bowing to the resignation demands, most loud on the part of the Opposition Social Democrats (SPD)

The Interior Minister is due to face further Parliamentary questioning on the issue tomorrow, and, if the SPD has its way, may have to endure the establishment of a fullscale Bundestag Commission to investigate the background to the whole spy affair.

But his defence remains that the ministry's refusal to authorise round the clock surveillance of the Willners was backed by the lack of any concrete evidence against them. He had acted in keeping with German law, he is understood to have told the committee

Many commentators have noted the ironical contrast between this legalistic defence and Herr Zimmermann's reputation as a law-and-order hawk,

But the strongest shield for the Interior Minister lies within his own CSU party. Herr Franz-Josef Strauss, the Bavarian premier, leader of the CSU, has been particularly belligerent and assertive of late, not least on the vexed issue of West German sanctions against South Africa.

In doing so, he has served notice that for Herr Kohl to replace the senior CSU representative in the Bonn cabinet could well have far reaching and damaging consequences for the ever squabbling CSU-CDU-FDP coalition.

FINANCIAL TIMES

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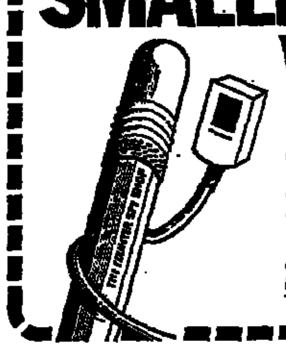

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Expulsions propaganda ploy says Pravda

By Patrick Cockburn in Moscow

THE EXPULSION of 31 Soviet officials from Britain and the military exercise "brave defender" were both parts of a propaganda campaign to instil "Enmity and hatred for the Soviet Union," the Communist Party daily Pravda said yesterday.

The article was the first in the Soviet media about the expulsions other than foreign ministry statements made at the time and a brief report in the Soviet news agency Tass.

Mr Arkady Aslennikov, Pravda's London correspondent said: "Millions of ordinary Britains, whose minds were being poisoned by the venom of anti-Sovietism, fell victim to another fit of militarist hysteria and to a gross act of provocation in which a number of Soviet officials were expelled."

The Pravda article, by treating the expulsions as simply a propaganda manoeuvre, appeared to show that the Soviet leaders do not think the incident marks a fundamental change in relations between Moscow and London.

Greece in U.S. technology talks

By Andriana Ierodiaconou in Athens

THE GREEK Government launched discussions yesterday with a team of visiting U.S. Government officials aimed at signing an agreement on protecting western military technology against leaks to third countries such as the Soviet Union.

Washington reportedly regards signature as a prerequisite for clearing the stalled sale of 40 F-16 fighter aircraft to Greece.

The U.S. has sold F-16s to Turkey which, as with Greece, has no General Security of Military Information Agreement. But it is making an issue of the matter in the Greek case, reportedly after learning of instances of technology leaks from a Soviet diplomat at the Athens embassy who defected to the U.S. last May.

Last week the Greek authorities revealed the arrest of two electronic engineers and a naval officer, on charges of spying for Moscow. They did not disclose how they had tracked the three down.

THE RAINBOW WARRIOR AFFAIR

Support grows as Greenpeace boats stay on course

BY ALAIN CASS, ASIA EDITOR

AT THE back of the Greenpeace offices in North London several helpers stand amid a small mountain of empty envelopes tearing open letters which arrive by the sackful for the environmental protest organisation now in the eye of an international storm.

"Ever since the sinking of Rainbow Warrior," says Mr Peter Wilkinson, an international board member of the organisation, "we've been getting 500 letters of support a week, many from people who want to join."

Now that the French Government has admitted responsibility for the sinking of the Rainbow Warrior in New Zealand on July 10 that support is likely to grow, enhancing Greenpeace's image as a David fighting the international Goliaths out to ravage the environment.

The organisation's membership in France, however, has fallen since the former Scottish fisheries vessel was sunk in Auckland harbour by a bomb explosion in which a crew member was killed. It is a typically patriotic reaction against the furore which has broken over the head of President Francois Mitterrand.

Mr David McTaggart, the Canadian-born chairman of Greenpeace and legendary campaigner, bristles at the suggestion that the sinking of the Rainbow Warrior was a good thing for the organisation because it catapulted it into a blaze of world publicity.

"The sinking of the Rainbow Warrior was a tragedy. It represents a considerable financial loss. We were not insured because we can't get insurance. A man was killed and it upset very specific plans we had. It also associated our name with terrorism and that can't be good."

However unpalatable it may be, many of Mr McTaggart's colleagues recognise that, after 15 years of being widely regarded as a fringe group, which was nevertheless extremely effective, Greenpeace and its "armada" of environmental warriors have acquired world stature because of a single act of officially sanctioned terrorism which can have done nobody, least of all the French, any good.

The sinking of the Greenpeace flagship has caused a serious diplomatic row between France, on theone hand, and New Zealand and Australia on the other. It sent President Mitterrand hurrying to the Pacific to fly the French flag and reinforce the message that France would not abandon its nuclear testing programme. The incident now has provided a furore in France itself, leading to the resignation of M Charles Hernu, the Defence Minister, and the dismissal of France's secret service chief.

The exploits of Rainbow Warrior's successor, the Greenpeace, now on its way to the French nuclear testing site in the South Pacific, are bound to be followed with more than usual interest. "We don't know what to expect from the French warships in the present mood," says Mr Wilkinson. "Of course we're worried."

Greenpeace has come a long way and fought many battles since its campaign in the early 1970s. In 1970, when it was called the "Don't make a wave committee," it had 12 supporters on Canada's Pacific coast. By 1977 there were 80,000 spread over half a dozen countries with a budget of $300,000.

"This year," says Mr McTaggart, "we can count on more than 1.2m supporters in 15 countries. Our budget next year will be over $14m, we have more than 30 offices, a staff of 150 and, until the Rainbow Warrior was sunk, we had four boats."

Over the past 15 years, Greenpeace has fought against atmospheric testing of nuclear weapons by the French in the Pacific, commercial whaling, the massacre of baby seals, radioactive waste dumping in the Atlantic, the discharge of waste from Britain's Windscale nuclear plant, toxic waste dumping in the North Sea and many more campaigns besides.

It has made enemies of the U.S. Government, the Soviet Union, the Japanese, the French, Britain, countless multinationals, the fur industry and British Nuclear Fuels, to name but a few.

It claims a series of successes. These include stopping the French from making atmospheric nuclear tests, achieving an agreement to phase out commercial whaling by 1985-86, reducing the kill of two-week-old seal pups to one-tenth of traditional levels, halting the practice of radioactive waste dumping in the Atlantic and stopping the importation of dolphins and killer whales into the UK.

Inevitably, the organisation is accused of being a front whenever its activities become bothersome. "When we're opposing nuclear testing in the Neveda desert, we're KGB," says Mr Wilkinson. "When we go to Russia and protest, we're financed by the CIA."

Greenpeace has even been accused by M. Michel Debre, the former French Prime Minister, of being an Anglo-Saxon plot to subvert the glory of France.

Greenpeace makes a virtue of being virtuous, It does not solicit big donations. "That way we're not beholden to anyone," says Mr McTaggart. It steers clear of political issues: you cannot stand for a political party and be a member of Greenpeace at the same time.

Like Mahatma Gandhi, it believes in fighting violence with non-violence; albeit of the irritating kind such as spraying indelible green paint on white baby seals in Canada's arctic north to spoil the value of their pelts.

It appears to be largely funded by small donations of around $10-$15 a head each year from its 1.29m members. Its British organisers admit to one recent donation of £100,000

David McTaggart . . . legendary campaigner

Greenpeace is a grassroots body organised worldwide into a series of 15 national organisations. Each has a national board which is responsible for raising funds and carrying out policy.

Each national body elects a councillor to an international council which considers progress on campaigns, allocates money and decides on overall policy. The council in turn elects an international board of five people—a chairperson, two from Europe and two from the rest of the world—which acts as a sort of executive body. Greenpeace's international administrative headquarters is in Lewes, Sussex.

The organisation's "green armada" of ships is owned by a subsidiary based at London's West India docks called Rainbow Warrior Holdings. In addition to its marine division, Greenpeace has a film division and a photographic division based in Paris.

One view of Greenpeace is that it is a romantic, swashbuckling organisation which believes that the rich will inherit the earth and must be stopped at all costs from doing so. Another is that it meddles in state and high technology matters which it does not comprehend.

Greenpeace is becoming increasingly aware of its success and the dilemma this entails for the organisation.

"There's no question," admits Mr Wilkinson, "that some of our campaigns have cost people jobs. Of course we're concerned about that. And as we grow and become more effective we must address some of the issues this raises."

If, to take one example, Greenpeace were successful in closing down the Windscale nuclear plant, the organisation admits that up to 10,000 people could lose their jobs. It has commissioned a report on how those jobs could be replaced in other sectors.

"But we didn't create the problem in the first place," says Mr Wilkinson. Greenpeace argues that if economic policies continue to dictate what we do to our environment and not the other way round, the industrialised world will be faced with mass unemployment sooner or later anyway.

French patriots bristle at 'anti-France bias' of ecologist group

THE FRENCH arm of Greenpeace, with 6,000 paid-up members, is one of the smaller branches of the international ecologist organisation. It is also uneasily aware that the Rainbow Warrior affair could rebound against the group's fundamental objectives, writes **David Marsh in Paris.**

According to M. Yves Lenoir, an energy expert and mathematics researcher who is one of the organisers of Greenpeace France, the publicity surrounding the affair is not going to help the overall Greenpeace campaign against nuclear weapons testing.

M. Lenoir works at the Ecole des Mines which, ironically, is where many of the leading figures in France's nuclear hierarchy were trained. He says that Greenpeace, in its campaigning against nuclear tests at Mururoa Atoll in the South Pacific has been trying *to focus its protests more on* the atomic explosions rather than on the French.

He is aware, however, that much of what appears to be an aggressive anti-French stance by Greenpeace, could actually strengthen public support in France for the nuclear deterrent.

He says Greenpeace France has been trying to soften the tone of the organisation's South Pacific campaign.

Because of splits and poor co-ordination in the international organisation, early plans for this autumn's sailing to Mururoa were announced without any consultation with the French group. M Lenoir counts it as a success that some *anti-French elements in the* organisation, particularly in New Zealand, were dissuaded from earlier plans to mount a much more militant protest.

The earlier plans envisaged the breaching of the 12 nautical mile territorial limit around the test atoll and the landing of Melanesian independence-seekers protesting against France's policies in New Caledonia.

M Lenoir, who stresses Greenpeace's principles of sticking to the law in all its international protests, says crossing the 12-mile limit was never seriously considered. It was this plan, however, which came to the attention of the French secret service agent who infiltrated *Greenpeace's organisation in* the South Pacific.

The Rainbow Warrior affair may have tarnished France's international reputation and brought about the fall of the Defence Minister; but the French public has not shown much interest.

M Lenoir says Greenpeace France has received only a few letters about the affair, most of them supportive.

Even among Greenpeace's French members, campaigns over pollution and whaling are probably more actively supported than its anti-nuclear efforts, M Lenoir says.

In France, Greenpeace often faces criticism that its protests against the French-testing pro*gramme are much more high-*profile than its campaigns against the bigger arsenals of the superpowers. M Lenoir replies that the French Government has given the South Pacific campaign a degree of media attention that it would never have dreamt of.

He points out, however, that, the French press has unmasked the Government's responsibility for the Rainbow Warrior raid, the level of public debate over the usefulness of France's nuclear deterrent has not increased.

M Lenoir believes that the French deterrent, which has been transformed over the last 20 years from the Gaullist idea of a last-resort defence to a force that could be used early in wartime. "We are a medium-sized power. We should find other means to act on the world stage rather than nuclear weapons."

One positive aspect of the Rainbow Warrior debacle, he says, is that "Enarques (graduates of the ENA service school) will have more control over the military system. That is a necessary step, but it is not enough to solve the problem."

N. Zealand seeks financial settlement

By Dai Hayward in Wellington

NEW ZEALAND expects full financial and legal compensation from France for the bombing and sinking of the Greenpeace vessel Rainbow Warrior by French secret service agents in Auckland harbour on July 10.

A note advising the French Government that New Zealand will seek full compensation through all means available in international law or the United Nations, was passed to the French Government on September 8.

Revealing this yesterday after France admitted the vessel was sunk by its agents acting on orders from the French secret service, Mr David Lange, the Prime Minister, said the financial compensation should "be in the millions."

A portion will go to the family of the Portuguese photographer, killed in the incident, Sr Fernando Pereira. A portion to the Greenpeace organisation, some to cover the already substantial cost of the New Zealand police inquiry and some to the Wellington Government to compensate for the injury done to the New Zealand people and country.

New Zealand is also seeking an apology from France, although it will not press for this at present. To do so, said Mr Lange, could influence the impending trial of the two French agents now being held in local jails. New Zealand is determined to do everything possible to ensure they get a fair trial, said the Prime Minister.

Mr Lange said an apology was an appropriate form of international restitution. However, it paled into insignificance against the enormity of a Government acknowledging it had sent spies to another country with orders to sink a peaceful ship in a New Zealand harbour.

Mr Lange said any suggestion that the secret service agents should not be brought to trial because they were acting under orders was a complete refusal of earlier reassurances from France.

"This is not a war. The defence that the agents were acting under orders is clearly inappropriate," declared Mr Lange.

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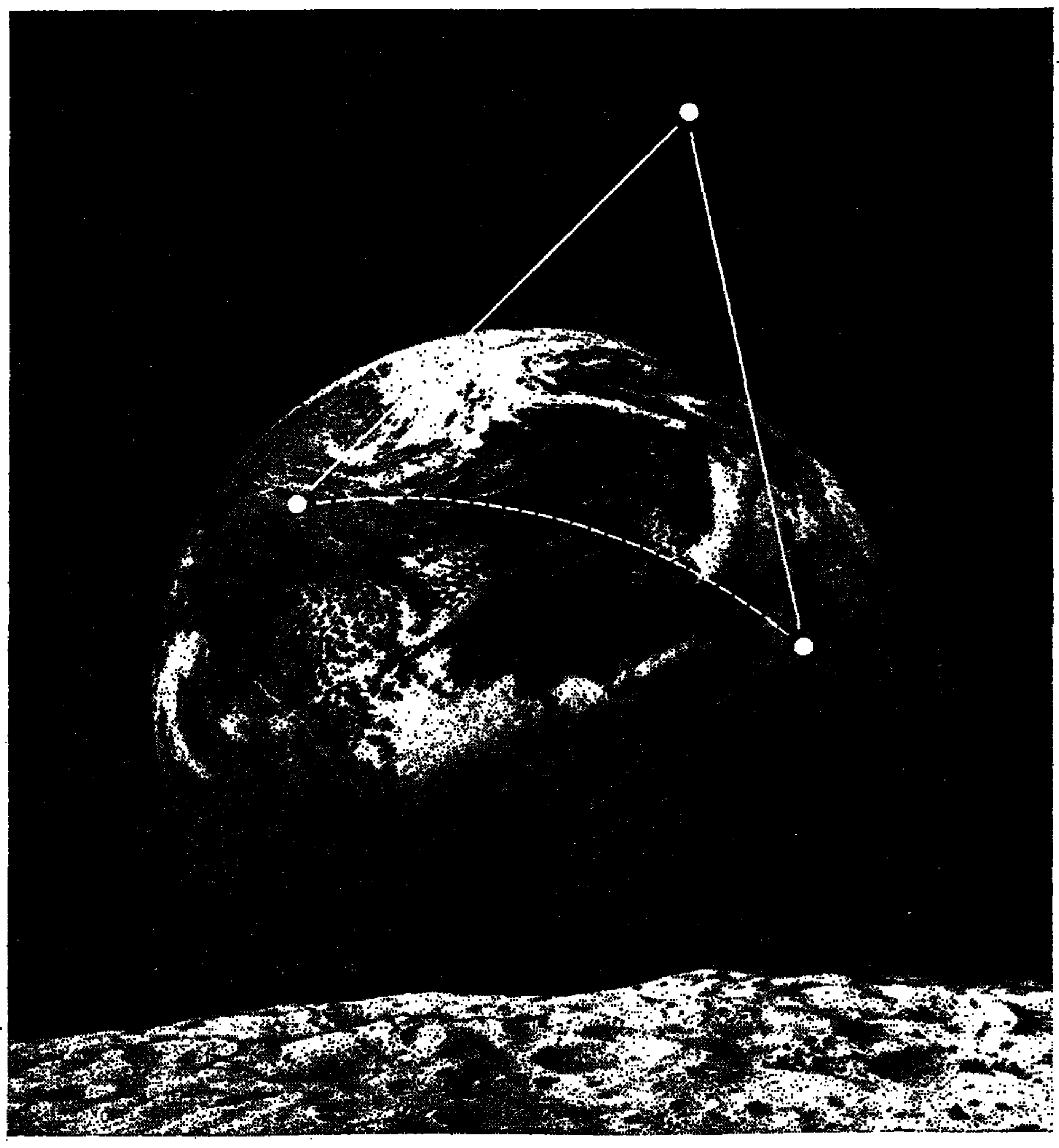

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THE DOLLAR AFTER THE NEW YORK MEETING

"WE SOLD DOLLARS AND SOLD THEM QUICKLY"

Foreign exchanges seize initiative

BY PHILIP STEPHENS

YESTERDAY the foreign exchange markets did not wait for the intervention.

The mere threat that the U.S. might join West Germany, Britain, Japan and France in attacking its own currency was enough to send the dollar tumbling to its lowest since June, 1984.

There was, as the foreign exchange manager of a leading U.S. bank in Frankfurt commented, "only one sensible immediate reaction" to the weekend announcement that the five most powerful industrial nations want to see a weaker dollar.

"We all sold dollars and sold them quickly," he said. The effect was to wipe some 3½ per cent off its value in a matter of hours.

As a semblance of calm returned in the afternoon, however, and it became clear that the central banks were not yet matching words with actions, a hint of scepticism was creeping into the comments of some market experts.

There was a general consensus that currency trading would in the short-term remain extremely jittery. The central banks might launch a quick foray to show they were serious.

West Germany's Bundesbank has rerently been rebuilding its already huge reserves, and the Bank of England last week supplemented its currency holdings with a $2.5bn loan on international capital markets.

The U.S. Federal Reserve has in theory at least unlimited ammunition to use in any attack on the U.S. currency, since it can literally print dollars.

"No-one is going to try to push the dollar much higher over the next week or so, and it will fall further if the central banks come in," commented one foreign exchange manager in London.

But the key to whether the impact of the latest agreement will prove more than temporary is likely to depend on the strength of the U.S. commitment to concerted intervention.

The idea that central banks should act to curb the speculative excesses of the foreign exchange markets was first mooted at the seven-nation economic summit in Versailles in 1982.

As the dollar continued to climb the subject was resurrected at the Williamsburg summit a year later and France, the most interventionist, secured agreement to a wide-ranging study of free-floating exchange rates.

Up until last month, however, when Mr James Baker, the U.S. Treasury Secretary, suggested the talks which led to Sunday's pact, both the White House and the Federal Reserve had been less than enthusiastic.

The Williamsburg study, completed by finance ministers of the Group of ten industrial nations in June of this year, was hardly encouraging, reflecting the American doubts.

"The role of exchange rate intervention can only be a limited one, as intervention will normally be useful only when complementing and supporting other policies," it said.

In practice, however, European central banks, and in particular the Bundesbank and the Banque de France, have been more aggressive.

In September of last year the Bundesbank sought to bounce other industrial nations into a policy of joint intervention with a unilateral attack on the dollar.

But the U.S. and the UK were unsympathetic and West Germany on its own could have only a short-term influence. By January, when the pound was sliding towards parity with the dollar, the UK had been converted to the idea.

A telephone call from Prime Minister Margaret Thatcher to President Reagan paved the way for a public commitment to joint intervention at a meeting of the G5 finance ministers, which was in many ways remarkably similar to the latest talks.

But though the central banks *succeeded during the following* month in pushing the dollar from its record highs, the U.S. contribution was still half-hearted.

Of some $10bn spent over several weeks in the attack on the U.S. currency, the Federal Reserve contributed only $600m against the Bundesbank's $4bn.

European central bankers were yesterday going out of their way to stress that all this had changed. "What we have seen is a quite spectacular change in the attitude of the U.S. authorities," one senior central bank official commented.

"What you must remember is that there is a new team in the U.S. now," he added, referring to the appointment of Mr Baker.

Many foreign exchange traders are as yet not that convinced. They want to see the Federal Reserve actively intervening before they decide that the days of a rising dollar are finally over.

Massive intervention by the U.S. authorities would boost the U.S. money supply and could re-ignite inflationary *pressures in the economy,* a concern which must be very much on the mind of Mr Paul Volcker, the Fed chairman.

At the same time the underlying forces which have sustained the dollar — essentially the need to finance its budget deficit from abroad — have not changed.

"What we have seen so far is verbal intervention. What we want to see now is whether it is followed up, not just for a few days but on a continual basis," the Frankfurt foreign exchange manager said.

Mr Nigel Lawson, UK Chancellor with (left to right seated) Mr Noburu Takeshita, Japan's Finance Minister, Mr Paul Volcker, Fed Chairman and Herr Gerhard Stoltenburg, the West German Finance Minister, after the Group of Five meeting in New York

Attack on symptoms rather than cause

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE AGREEMENT by the five major powers in New York on Sunday to try to push down the dollar is second best in an important sense.

As most of the ministers and central bankers would freely acknowledge, it represents an attack on the symptoms rather than the cause.

Indeed the communique issued after their meeting emphasised that the major problem confronting world leaders was the "large imbalances in external positions," particularly the U.S.'s current account deficit and the matching surpluses in Japan and West Germany.

They agreed cautiously that exchange rates "should play a role" in adjusting these imbalances, and this caution has been emphasised since by Mr Nigel Lawson, the British Chancellor, and others.

There are good reasons for this caution, because although the persistent rise of the dollar last year baffled most economists, they were at least agreed that it was partly the result of some fundamental mismatch of economic policies.

The simplest explanation is that the U.S. has been spending more than can be financed out of its current income and savings, while Japan has been saving more than it can spend.

Japan's excess of savings has three causes: a historically high propensity to save in country where people have been expected to provide for their own old age and sickness; the recent attempts of the Government to cut back its budget deficit; and the reduced demand for industrial investment as Japanese industry moves into a maturer phase of less explosive growth.

In the U.S., on the other hand, where gross savings are only about half the level in Japan in proportion to national incomes, demand for credit has been rising extremely fast.

The major reason is the increasing federal budget deficit, which the Organisation for Economic Co-operation and Development in Paris estimates will be about $190bn this year or nearly 5 per cent of GNP. U.S. estimates are closer to $200bn.

The rapid U.S. economic gro

The rapid U.S. economic growth rate of 6.8 per cent last year, largely the result of the budget deficit, stimulated private loan demand and so added to the general pressure on savings.

The shortfall of U.S. savings has to be made up from capital from abroad which by definition must be equal to the outflow of expenditure on imports.

The U.S. current account deficit, projected to be around $120bn this year, therefore defines the shortage of savings in the economy. The Japanese current account surplus forecast variously at between $40bn and $50bn for this year, similarly indicates the surplus of savings since it must be equal to the outflows of capital.

These figures have to be interpreted with caution because of the unexplained discrepancy of around $100bn in the world's trade accounts.

Nevertheless, the general pattern is clear: the U.S. has swung into deficit by about $100bn between 1980 and 1984, while Japan swung into surplus by about $46bn and West Germany by $22bn.

The majority of Japan's capital outflow has gone straight into U.S. Treasury bonds. Broadly speaking Japanese savers have lent the U.S. Government the cash needed to finance tax cuts with higher defence spending. American consumers have to a large extent spent their extra wealth on buying Japanese consumer goods.

Japanese savings have been recycled through the U.S. back into the production of Japanese goods. The same is true to a lesser extent of West Germany, the other major beneficiary.

This would not be a problem if the American people were happy with the arrangement, but they are not. In spite of a reduction in unemployment caused by the boom, they have seen many U.S. jobs sacrificed as a result of competition from "cheap" imports from Japan and elsewhere.

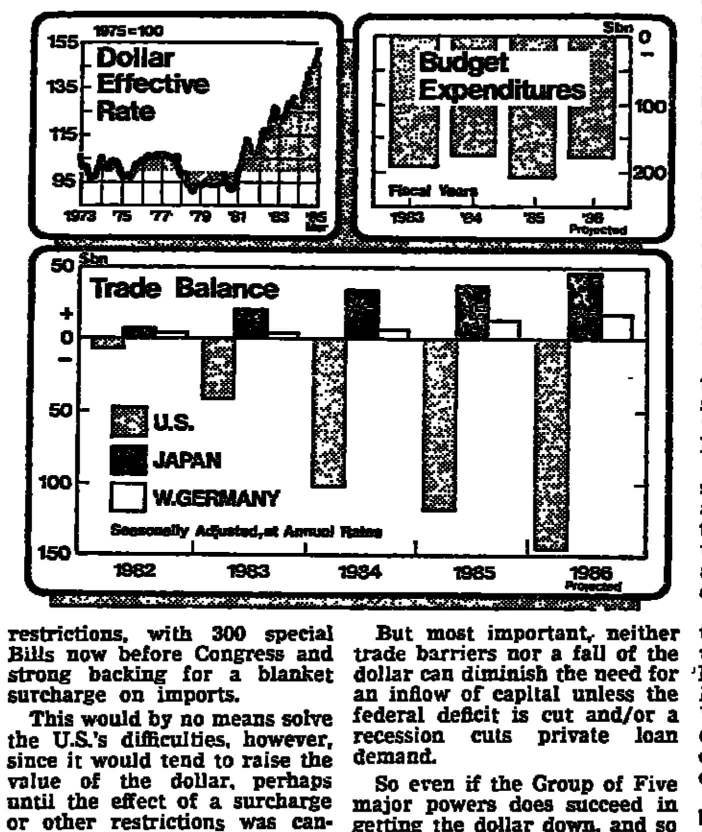
This has resulted in enormous popular pressure for import restrictions, with 300 special Bills now before Congress and strong backing for a blanket surcharge on imports.

This would by no means solve the U.S.'s difficulties, however, since it would tend to raise the value of the dollar, perhaps until the effect of a surcharge or other restrictions was cancelled out.

U.S. consumers would be hit by higher prices, and world trade would suffer,

But most important, neither trade barriers nor a fall of the dollar can diminish the need for an inflow of capital unless the federal deficit is cut and/or a recession cuts private loan demand.

So even if the Group of Five major powers does succeed in getting the dollar down, and so head off the immediate danger of protectionism, this will be only the first step on a long, long road.



American U-turn kindles the 'spirit of the Plaza'

BY STEWART FLEMING IN WASHINGTON

A YEAR ago the mysterious and secretive group of finance ministers and central bankers from France, West Germany, Japan, the U.S. and UK officially did not exist.

Yet on Sunday they presented publicly (and American officials presented privately) a remarkable nine-page economic policy document during a chaotic press conference in the sweltering

Mr James Baker, the U.S. Treasury Secretary played a prominent role to demonstrate to the world that the U.S. is anxious to reassert its leadership role in the formulation of international economic policy and to do so through painful negotiation designed to achieve concensus.

The symbolic significance of this initiative, was underlined succinctly by Mr Nigel Lawson, the British Chancellor of the Exchequer.

"There is a high degree of similarity, not merely in the analysis of the economic situation but in the policies our countries are pursuing . . . we are as close together as our five countries have ever been."

If Mr Lawson had been able to say: "we are as close together as our five countries have ever been *since President Ronald Reagan entered the White House,* then the touch of hyperbole in his final sentence could have been eliminated.

None of the G5 members believe that intervention in the currency markets is the principle policy instrument to achieve their newly stated goal of bringing down the value of the dollar.

But they all agree now on the importance of managing macroeconomic policy in a co-ordinated way with a keen eye on the repercussions in the foreign exchange markets.

The abrupt reversal from the days when Mr Regan, now the White House chief of staff, headed the Treasury, needs no underlining. Mr Regan was never prepared to concede that the high value of the dollar was an international problem, and one which as Mr Baker agreed on Sunday, was contributing to protectionist pressures.

For Mr Regan, the high dollar was a symbol of American success, not a manifestation of the inadequate international co-ordination of economic policies. His rhetoric suggested always that economic policy failures abroad, not in the U.S., were the root cause of the world's economic problems and he persistently denied that U.S. budget deficits were a factor contributing to high world interest rates, the high dollar and the huge U.S. current account deficit.

The Treasury's refusal under Mr Regan to participate in co-ordinated currency intervention reflected both this conviction that markets, not policies, determine exchange rates

—What lies behind this change of heart at the Treasury must in part be a matter of speculation. Mr Baker believes in the importance of international co-operation in an increasingly interdependent world.

Other factors in the equation are the growing threat of an international economic catastrophe triggered by the explosive combination of mounting protectionism, economic stagnation in the U.S. and the twin perils o funsustainable debt burdens and weakening growth in the developing world.

The fact that Mr Baker is a political friend of Vice-President George Bush and is already allowing himself to be associated publicly with Mr Bush's campaign to succeed President Reagan is also significant.

The domestic and international economic crisis which some fear is looming ahead would probably spoil the end of Mr Bush's presidential aspirations.

But what are the chances that the agreement in New York and the new mood within the G5—the spirit of the Plaza—will contribute to the "soft landing" of the U.S. dollar?

Some people doubt the commitments to faster economic growth reaffirmed by the European and Japanese members of G5. Moreover, such growth may, as Mr Baker suggests, make some contribution to easing America's trade and current account problems, but that improvement will almost certainly come too slowly and on its own be too small to transform the U.S. trade deficit.

The glaring omission from the communique of any *new* initiative by the U.S. to cut a $200bn budget deficit which is emerging virtually unscathed from the current budget resolution in the Congress means that a vital component of any comprehensive policy package to improve the performance of the world economy is still missing.

Wall Street economists were concluding yesterday that any chances that the central bank might begin to tighten monetary policy in the immediate future are fast disappearing.

But at least the G5 can hope that by restating their commitment to work co-operatively for growth and lower interest rates they may defuse some of the pressures building in the Third World for a radical new strategy for tackling the debt crisis.

Bonn plans no policy changes at home

BY RUPERT CORNWELL IN BONN

HERR Gerhard Stoltenberg, the West German Finance Minister, served notice yesterday that the weekend agreement by the big five industrial nations implied no intention by the Bonn Government to relax its cautious economic policies at home.

Speaking almost immediately after his return from the meeting in New York, Herr Stoltenberg insisted that he had come under no pressure from his colleagues from the U.S., Japan, Britain and France to indulge in "artificial" stimulation of the West German economy, to help make up for the present slowdown in U.S. growth.

He made clear that Bonn would stick by its planned two-phase programme for DM 20bn of tax cuts next year and in 1988. The top priorities for Bonn, he declared, were to encourage private initiative and keep inflation, presently at around 2 per cent, under control.

Herr Stoltenberg moreover rejected criticism that Bonn was not playing its part in promoting steady world expansion, by piling up record external surpluses. For 1985, both the trade and current accounts are expected to show unprecedented surpluses of DM 70bn and DM 30bn to 35bn respectively.

Instead, he argued that steady and sustained West German domestic growth — which might accelerate to 3 per cent in the latter part of this year — meant an expanding market for imports. German capital markets too were open to all comers.

Despite the failures of similar Group of Five agreements in the past to match word with deed, Bonn plainly believes that this time Washington is sincere in its wish to co-operate in a joint drive to cut the value of the dollar — if only out of genuine fear of the consequences if the present massive trade and current account deficits continue.

Herr Stoltenburg yesterday refused to indicate a "desirable" dollar/DM rate. But West German exporters feel that even a dollar worth only DM 2.50 would not unduly damage their prospects, against a close yesterday of DM 2.7155.

The Finance Minister, however, did confirm that as in the past, Bundesbank intervention would be mainly directed at encouraging a movement in the market, rather than attempting to reverse an underlying trend.

West Germany at bottom remains convinced that in the long run, the key to greater global economic stability lies with the determination of the U.S. to reduce its budget deficit and with it the high domestic interest rates which have contributed to the overvaluation of the dollar.

West German monetary officials are now more confident that the U.S. is ready to take part in co-ordinated intervention to help depress the dollar on foreign exchange markets, Jonathan Carr *reports from Frankfurt.*

The officials were speaking in the aftermath of the meeting of finance ministers and central bank governors of the group of five leading industrial countries in New York at the weekend.

The officials recalled West German disappointment that a declaration on more vigorous joint intervention made by the Group of Five in January, was not then firmly backed in practice by the U.S.

But they noted that since then U.S. authorities generally have become much more worried about the high dollar, the soaring trade deficit and the rise of protectionist pressure in Congress.

German officials also believe that new personalities on the U.S. side are coming out more firmly in favour of efforts to push the dollar down. Those with this stance are said to include Mr James Baker, the Treasury Secretary, and Mr Gerald Corrigan, the head of the Federal Reserve Bank of New York.

One official here went so far as to call the New York meeting a watershed, at which the U.S. at last abandoned "benign neglect" of its currency.

U.S. 'ready to intervene in markets'

The White House said it might be ready to intervene in foreign exchange markets in cases other than when those markets were disorderly, Reuter reports from Washington.

Asked how far the Reagan administration was willing to see the dollar decline, Mr Larry Speakes, the White House spokesman said: "We will work towards a convergence of currencies but we don't have any specifics . . . I don't think we're going to draw any specifics here."

Asked whether the U.S. was ready to take the lead rather than just express its willingness to go along in foreign exchange market operations, Mr Speakes said: "No, it's been a co-ordinated effort all along."

Earlier yesterday, Mr James Baker, the U.S. Treasury Secretary, said in a television interview that he would not comment "on when and how and to what extent we may intervene."

French fear accord fails to go to heart of problem

BY PAUL BETTS IN PARIS

FRANCE described yesterday the Group of Five meeting as a significant breakthrough and "a first step in helping to put some order in the international monetary system."

M Pierre Bérégovoy, the French finance and economy minister, present at the New York meeting, *said* he was pleased to see that foreign exchange markets had so far reacted strongly to the signals the Group of Five had given on Sunday in their joint statement.

M Bérégovoy said the group had agreed on a "secret plan" to intervene in the markets if market forces did not respond by themselves to the signals in the joint statement.

France was particularly pleased to note yesterday that for the first time all five leading industrial countries had openly agreed that floating exchange rates did not reflect fundamental economic realities. Although this was still a long way off the French thesis for the need of a major reform of the international monetary system based around the dollar, the yen and the Ecu, it nonetheless represented an encouraging advance, according to M. Bérégovoy.

The French finance minister said the New York initiative *would clearly help the discussions* on the international debt situation and on measures to support Latin American and African countries at the IMF meeting in Seoul next month.

M. Bérégovoy also insisted that the yen should take the lead and revalue itself more against the dollar than other European currencies. He concurred in the view that more orderly foreign exchange markets and a lower dollar would boost the prospects of a new round of international trade talks and help reduce the threats of growing protectionism.

Italy feels pact vindicates lira policies

By James Buxton in Rome

THE Italian authorities yesterday welcomed the New York agreement and subsequent slide in the U.S. dollar.

Italy has been pressing the case for a lower dollar and as a major trading nation has a strong interest in avoiding a trade war.

It believes that *co-operation* and agreement between countries over currency matters is the right way to achieve this objective.

Yesterday's turbulence on the foreign exchange markets was also seen in Italy as vindicating the timing of the Italian authorities' decision to seek a realignment of the lira in the European Monetary System last July.

One possibility had been to leave the realignment until after the summer. In present market conditions such a realignment might now be difficult.

'If trade is not fair for all, then trade is 'free' in name only'

The following is an abridged text of President Ronald Reagan's speech yesterday on trade policy

Let me say at the outset that our trade policy rests firmly on the foundation of free and open markets—*free trade.* I, like you, recognise the inescapable conclusion that all of history has taught: the freer the flow of world trade, the stronger the tides for human progress and peace among nations.

But our role does not absolve our trading partners from their major responsibility to support us in seeking a more open trading system. No nation, even one as large and as powerful as the U.S., can by itself insure a free trading system. All that we and others have done to provide for the free flow of goods and services and capital is based on co-operation. And our trading partners must join us in working to improve the system of trade that has contributed so much to economic growth and the security of our allies and of ourselves.

When domestic markets are closed to the exports of others, it is no longer free trade.

When governments subsidise their manufacturers and farmers so that they can dump goods in other markets, it is no longer free trade.

When governments permit counterfeiting or copying of American products, it is stealing our future, and it is no longer free trade.

When governments assist their exporters in ways that violate international laws, then the playing field is no longer level and there is no longer free trade.

When governments subsidise industries for commercial advantage and underwrite costs, placing an unfair burden on competitors, that is not free trade.

I have worked for four years at Versailles and Williamsburg and London and Bonn to get our trading partners to dismantle their trade barriers, eliminate their subsidies and other unfair trade practices, enter into negotiations to open markets even further, and strengthen Gatt, the international accord that governs worldwide trade. I will continue to do these things.

'The freer the flow of world trade, the stronger the tides for human progress'

But I also want the American people and our trading partners to know that we will take all the action that is necessary to pursue our rights and interests in international commerce under our laws and the Gatt, to see that other nations live up to their obligations and their trade agreements with us.

I believe that if trade is not fair for all, then trade is "free" in name only.

I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.

I have instructed Treasury Secretary Jim Baker to inform the participants at the International Monetary Fund and World Bank conferences in Seoul that we will take into consideration the trading practices of other nations in our deliberations and decision-making.

A major factor in the growth of our trade deficit has been the combination of our very strong economic performance and the weak economic performance of our major trading partners over the last four years. This has limited our exports and contributed to the weakening of other currencies relative to the dollar, thereby encouraging additional imports by the United States and discouraging our exports.

Yesterday I authorised Treasury Secretary Baker to join his counterparts from other major industrial countries to announce measures to promote stronger and more balanced growth in our economies and thereby the strengthening of foreign currencies. This will provide better markets for U.S. products and improve the competitive position of our industry, agriculture, and labour.

I have ordered the Secretary of State to seek time limits on negotiations underway to open up markets in specific product areas in Japan.

I have instructed the U.S. Trade Representative to accelerate negotiations with any and all countries where the counterfeiting and piracy of U.S. goods has occurred to bring these practices to a quick end. And I look forward to working with the Congress to increase efforts to protect patents, copyrights, trademarks and other intellectual property rights.

And, finally, I am today directing that a strike force be established among the relevant agencies in our Government whose task it will be to uncover unfair trading practices used against us and develop and execute strategies and programs to promptly counter and eliminate them.

'I will not stand by and watch American workers lose their jobs'

I am also looking forward to working with the Congress to put into place any necessary legislation that would help us promote free and fair trade and secure jobs for American workers. Among the topics that we should jointly consider are:

- Authority to support our new trade negotiating initiatives that would, among other things, reduce tariffs and attempt to dismantle all other trade barriers.
- To protect intellectual property rights including trade in articles that infringe U.S. process patents, longer terms for agricultural chemicals, and eliminating Freedom of Information Act abuses that will help our businesses protect their proprietary property.
- To improve our anti-dumping and countervailing duty laws so that a predictable pricing test covers non-market economies enabling our companies to have protection against unfair dumping from those countries. We should also improve these laws so that business can have full and rapid protection in receiving help against unfair imports.
- To amend our trade laws to put a deadline on dispute settlement and to contain a fast track procedure for perishable items. We should no longer tolerate 16-year cases, and settlements so costly and time-consuming that any assistance is ineffective.

Reagan: serves notice to trading partners

Israel protests over UK arms sales and invitation to PLO

BY WALTER ELLIS

ISRAEL YESTERDAY accused Britain of deviating from "the common position taken by Western Democratic countries on the Middle East" through its planned sales of sophisticated arms to Saudi Arabia and Jordan and its invitation to two executives of the Palestine Liberation Organisation to visit London for talks.

There had been no policy co-ordination with the U.S., the Foreign Ministry said. The invitation to the PLO was "unprecedented," and there was no reason to believe that Washington supported the British position.

A formal protest concerning both matters was delivered yesterday by Mr Moshe Arens, the acting Israeli Foreign Minister, to Mr William Squires, the British ambassador in Tel Aviv.

Mr Arens said afterwards that he had told Mr Squires of Jerusalem's "deep displeasure" over moves which it considered "very injurious to Israel's best interests."

The sale of Tornado and Hawk jets to Saudi Arabia and the purchase by Jordan of a variety of weapons systems have already been condemned by Israel, as has the invitation to the PLO. However, the attempt to demonstrate that Britain is acting out of concert with its allies is new and is evidence of how seriously Israel regards the UK twin initiative.

Mr Yeshiyashu Anug, an assistant director general of the Foreign Ministry, confirmed to journalists yesterday that a planned sale by Israel of Skyhawk jets to Argentina had been halted this year by the U.S. "at the instigation of Britain." Yet now Britain was selling weapons to Israel's enemies, he said.

At a session of the Knesset Foreign Relations Committee yesterday, right-wing MPs urged Mr Shimon Peres, the Labour Prime Minister, to call off his visit to London set for next January. It was also suggested that when Mrs Margaret Thatcher, the UK premier, comes to Israel next spring she should be made to feel "unwelcome."

"We have a special account to settle with the British," one member announced.

Mr Peres resisted the clamour. Israel, he said, could not become "hermetically sealed and isolated."

SLUGGISH EXPORTS AND CONSOLIDATION IN CHINA BLAMED

Hong Kong faces growth rate fall

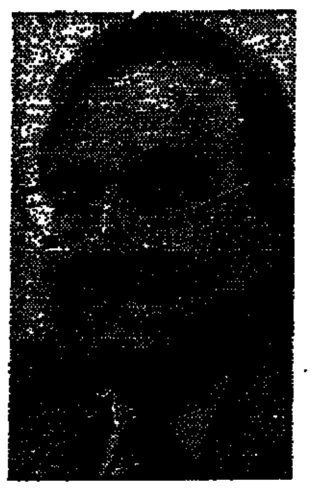
BY DAVID DODWELL IN HONG KONG

HONG KONG'S economy is unlikely to grow by more than 4½ per cent in real terms this year, according to Sir John Bremridge, the territory's Financial Secretary. This compares with 9 per cent growth in 1984, and a budget forecast of 7 per cent.

In his half-yearly review of Hong Kong's economic performance, Sir John yesterday said the downward revision was "disappointing, but hardly dramatic." The revision, which has been widely signalled in recent months, is because of an export performance that has been more sluggish than expected, and to brakes applied to the Chinese economy, which has slowed the growth in Hong Kong's entrepot business with the mainland.

Sir John predicted yesterday that domestic exports in 1985 would grow by just 1 per cent in real terms. This compares with a striking 17 per cent growth in 1984, and 14 per cent in 1983. However, since re-exports are forecast to increase by 28 per cent over the year, the overall total of Hong Kong's exports is expected to rise by about 11 per cent in real terms.

Imports have also risen more slowly than expected, and Sir John now forecasts a year-on-year increase of 11 per cent—down from a budget forecast of 18 per cent. He reported a visible trade surplus for the first half of 1985 of HK$278m



Sir John Bremridge: "disappointing but hardly dramatic"

(£26m), a sharp contrast with the visible trade deficits that have characterised Hong Kong's balance of trade over its 143 year history.

Among the more encouraging signs, Sir John pointed to inflation at about 3.2 per cent, and a recovery in construction activity in the territory. The construction sector has been deeply depressed since a collapse in the local property market more than three years ago.

Sir John also noted that government spending was about HK$1.7bn below budget forecasts at the end of May. This is likely to allow him to loosen reins towards the end of the year on a number of economically important projects which have been kept on ice recently because of the need felt by the Government to restrain growth in the public sector. This accounts for just 16 per cent of the gross domestic product, compared with over 19 per cent in 1982.

Hong Kong's sluggish export performance is due in part to an intvitable levelling-off after two years of remarkable growth, and in part to a slow-down in the growth of the U.S. economy. The U.S. accounted for about 44 per cent of all exports in the first half of this year, despite the rapid emergence of mainland China as a major export market.

With such a significant exposure to trends in the U.S. market, increasing protectionist pressure in the U.S. is a matter of extreme concern in Hong Kong. The Financial Secretary yesterday attacked the Jenkins Bill, which is aimed at curbing textiles imports and is currently before the U.S. Senate, as undermining world trade in textiles sector, the multifibre Arrangement and the General Agreement on Tariffs and Trade "because it contravenes some of the vital principles underlying these international agreements."

Despite hopes earlier this year that domestic demand would strengthen to compensate for flagging export growth, Sir John reported yesterday that local private consumption has remained steady, with a real 6 per cent growth. Instead, the impetus for economic growth this year will come from re-exports—particularly those to China. These have grown by about 140 per cent in money terms over the past year.

This is perhaps not a good sign for Hong Kong, however. As one respected local economic analyst noted recently, China may be a large market, but it is a poor one. Increasing business with China may keep Hong Kong employed, he noted, but it may put severe limitations on hopes of a continued rapid rise in living standards. Average earnings, as measured by per capita gross domestic product, has reached HK$51,280 at current prices, up 3 per cent from last year.

Sir John defended the Government's policy of linking the local currency to the U.S. dollar at a rate of about HK$7.80, despite recent criticism that this had reduced the competitiveness of Hong Kong exporters. He ignored calls to "repeg" the local unit, arguing that adjustments in local interest rates had succeeded in providing the necessary exchange rate stability.

Politburo official condemns Deng's economic policies

BY ROBERT THOMSON IN PEKING

WHILE the Chinese leader, Deng Xiaoping, appears to have had a victory in the selection of 64 new members for the ruling Central Committee, his economic policies were strongly criticised by a senior Politburo official on the closing day of a special Communist Party conference.

Chen Yun, a member of the power elite of the Politburo's standing committee and a known opponent of "Dengism," condemned the shift to market forces in the Chinese economic reforms: "Market regulation involves no planning, blindly allowing supply and demand to determine production."

In direct opposition to the economic policy to relax central control, Chen called for development in a "planned way," and, in contrast to Deng's references to the reforms as an "experiment," he called for "constant review" and "careful" examination "before taking each step."

Chen, who made the most of the occasion, criticised Chinese media reports of "10,000-Yuan household," cited as a sign of the prosperity the reforms have brought to peasants: "actually there are not that many. Our media's reports are divorced from reality."

However, diplomats suggest that most of the 64 new Central Committee members, average age 50.1, appear to be disciples of "Dengism." They are well-educated, realitively young and many have been recently elevated to leading positions in China's provinces, showing that they are in political favour.

The list of new members provides further evidence of the political decline of the military. About 25 Central Committee members and alternate members with military ties were among the 131 resignations last week, but only 13 of the new hands are military men or women.

The critical closing speech today by Chen Yun provided an insight into why Deng, at 81, has remained in power to guide the reform policies past opposition within the senior ranks. Diplomats contend that the strength of that opposition is limited, but yesterday's speech by Chen would have been a rallying point.

In his closing speech to the conference, Deng said China will "by no means change" its present policy of opening to the outside world or its modernisation drive.

South Africa hints it may intervene in Angolan war

BY ANTHONY ROBINSON IN JOHANNESBURG

GEN MAGNUS MALAN, the South African Defence Minister, yesterday hinted strongly at possible military intervention in support of Unita forces in Southern Angola as two senior specialists on Namibian and Angolan affairs flew to Washington for talks with U.S. officials.

The talks are expected to centre on the latest Cuban and Soviet backed Angolan army offensive against Unita and to seek U.S. support for Unita following repeal by Congress of the Clarke Amendment which has hitherto prohibited financial or material aid to the rebel movement headed by Dr Jonas Savimbi.

In an interview with the Afrikaans daily Beeld Gen Malan described southern Angola as of vital significance to South African security and said it would react to any threat from that region.

South Africa, Gen Malan said, was particularly concerned at the direct involvement of Soviet military personnel in the current offensive against Unita. At a Press conference at his Jamba headquarters in southern Angola last weekend Dr Savimbi told reporters "we have had offensives before but never have we had Russians planning and directing artillery, tanks and armoured cars and flying helicopters and jets against us." He added that the "significant combatant and command role played by Russian soldiers had added a new dimension to the bush war."

In comments which appeared to be aimed at the U.S. and the West Dr Savimbi said that the Angolan offensive appeared to be part of a larger Soviet strategy and was being given the same higher priority as the war in Afghanistan." It may be that Mikhail Gorbachev, the new Soviet leader, is a hardliner or is testing the will of the West before meeting Ronald Reagan in November," he added.

Dr Savimbi's remarks echoed the views of Gen Malan who last week publicly admitted for the first time South Africa's continuing links "of a material, humanitarian and moral" nature with Unita.

Pretoria unveils plans to consolidate Zulu homeland

BY OUR JOHANNESBURG CORRESPONDENT

AFTER five years of detailed planning a government commission has revealed plans to consolidate the land area of the Kwazulu homeland in a piece of classic arpartheid social engineering which was immediately condemned yesterday by Chief Gatsha Buthelezi as a "prescription for disaster."

As presently constituted Kwazulu, like many of the other nine black homelands, is an administrative absurdity, a patchwork of 40 separate units interspersed with "white" Natal province. An original plan to consolidate its territory by adding bits of "white" farmland and forcibly removing upto a million Zulus from the smaller patches of black farmland and villages to the consolidated areas was rejected by the all-white Parliament in 1974 on grounds of expense and impracticability.

Yesterday the Commission for Co-operation and Development reported on its revised plans to consolidate Kwazulu into four large and 11 smaller areas. This would still involve the forced removal of 42,000 people, Mainly Zulus but also a small number of whites, coloureds and Indians.

According to the Surplus Peoples Project, set up to monitor the Government's forced removal policies, 189 "black spots," small black communities in predominantly white areas would be subject to removal.

A further 381,000 hectares would be added to the existing 3.6m hectares of Kwazulu but much of the new land is taken up by two game reserves and would be handed over only on condition that they remained so. The commission also proposed handing over the Durban black township of Lamontville to Kwazulu, a proposal which has already been strongly rejected by its inhabitants and which as led in the past to bloody conflict between United Democratic Front (UDF) supporters and members of Inkatha, the mainly Zulu political and cultural organisation.

Lutfi seeks ways to halt slide in value of currency

BY TONY WALKER IN CAIRO

EGYPT'S NEW Government headed by Dr Ali Lutfi, is facing its first big test because of an alarming slide in the value of the local currency.

The "open market" value of the Egyptian pound against the U.S. dollar has depreciated by 25 per cent in the past month. The drop in the pound's value accelerated over the weekend. It was trading yesterday at more than E£1.80 to the dollar against a figure of about E£1.60 to the dollar last week.

Local bankers are talking about a "crisis of confidence" in the Egyptian pound. The Government is under immense pressure to take remedial action to prevent further erosion in the pound's value.

Among measures being pressed on Dr Lutfi, a former finance minister, are a float of the pound, licensing of money dealers and immediate introduction of tough import restrictions to reduce demand for foreign exchange.

Mr Aly Negm, governor of Egypt's Central Bank, said various measures were under consideration—but talk of a float of the Egyptian pound was premature. "Nothing has been decided and anything said now could just ignite the situation," he said.

The immediate cause of the slide in the value of the pound appears to be a widespread belief that the local currency is over-valued and that a devaluation is imminent.

There is also heavy demand for scarce foreign exchange because importers are building up stocks in anticipation of tough restrictions. At the same time there has been a drop in remittances from Egyptian expatriates because of a slowdown of economic activity in the Gulf.

Dr Lutfi was appointed early this month to deal with Egypt's serious economic problems which include a burdensome external debt and a deteriorating balance of payments.

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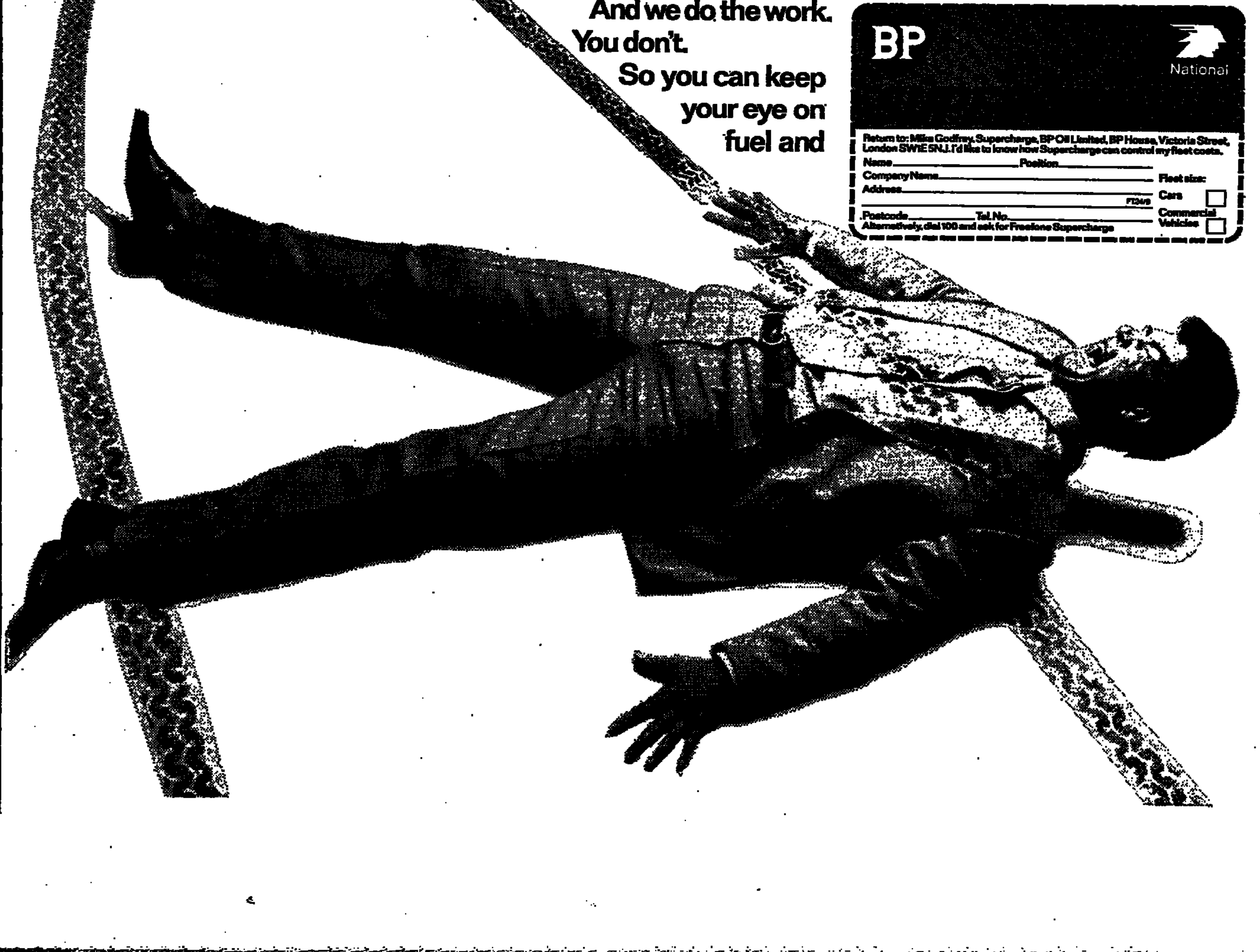

NOTICE OF REDEMPTION

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Paragraph 4(b) of the above-described Notes and Section 6 of the Fiscal and Paying Agency Agreement dated as of April 28, 1982 between Societe Nationale des Chemins de Fer Francais and Morgan Guaranty Trust Company of New York, Fiscal and Paying Agent, U.S. $50,000,000 principal amount of the Notes has been selected for redemption on October 30, 1985 at a redemption price of 100% of the principal amount thereof.

Outstanding Notes of $1,000 each bearing the distinctive numbers ending in any of the following two digits:

01	03	10	19	29	34	41	46	57	60	63	66	70	73	85	94	97
02	08	12	24	33	36	43	56	59	61	65	68	71	81	88	96	

Also outstanding Notes of $1,000 each bearing the following distinctive numbers:

1	1214	4114	6514	9214	12414	16014	18614	21714	23314	29314	33614	37214	40714	44114	47814
2	1514	4214	6814	9614	13714	16614	19014	21814	25514	29414	33914	37714	41014	44614	47914
3	1814	4514	7414	9714	13414	16814	19314	22314	25914	29714	34314	38014	41414	44814	48014
8	2114	4914	7514	10514	14214	16914	19414	22514	26314	30314	34514	38214	41614	44914	48114
14	2314	5014	7714	10614	14314	17114	19614	23214	26714	30414	34814	38914	41914	45214	48314
214	2414	5214	7814	11014	14514	17314	19714	23314	27014	30514	35014	39014	42414	45514	48514
414	3114	5614	8014	11114	14714	17414	19914	23814	27214	31214	35414	39214	42614	45714	49114
614	3214	5914	8214	11614	14914	18114	20314	24214	27914	31414	35614	39514	42814	46614	49414
714	3314	6114	8414	11914	15014	18214	20814	24414	28314	32114	36314	40014	43014	46814	49614
914	3614	6214	8514	12214	15214	18414	21014	24714	28514	32514	36714	40214	43614	46914	
1014	3914	6414	8914	12514	15914	18514	21314	25114	29014	33114	37114	40514	44014	47614	

Outstanding Notes of $10,000 each bearing the distinctive numbers ending in any of the following two digits:

04	06	09	18	22	26	32	38	44	50	58	67	76	82	86	92	99
05	07	13	20	25	27	37	40	48	55	62	69	79	83	87	93	

Also outstanding Notes of $10,000 each bearing the following distinctive numbers:

4	7	351	951	2151	2551	3651	4451	5851	6851	7651	8651	9551
5	9	651	1451	2351	3051	3851	5051	6151	7051	8251	8851	9651
6	151	851	1651	2451	3351	4151	5251	6351	7451	8451	9051	

Payment will be made in *U.S.* dollars on and *after* October 30, 1985 upon presentation and surrender of the above Notes with coupons due January, 1986 and subsequent coupons attached, subject to applicable laws and regulations, either (a) at the office of the Fiscal and Paying Agent in New York, or (b) at the main offices of Morgan Guaranty Trust Company in London, Brussels, Frankfurt am Main and Paris, the main office of Swiss Bank Corporation in Basle, the main office of *Morgan Bank Nederland* N.V. in Amsterdam and the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment *made by* transfer to an account maintained by the payee with a bank in the United States may be subject *to reporting to the United States* Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury *the payee's* taxpayer identification number (employer identification number or social security number, as *appropriate*). *Those holders who are* required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of $50. Please therefore provide the appropriate certification when presenting your securities for payment.

Notes surrendered for payment should have attached all unmatured coupons appurtenant *thereto. Coupons* due October, 1985 should be detached and collected in the usual manner.

On and after October 30, 1985 interest shall cease to accrue on the Notes herein selected for redemption and all conditions precedent to such redemption shall have occurred.

SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS

Dated: September 19, 1985

AMERICAN NEWS

BRAZILIAN PRESIDENT CALLS FOR REFORM OF INTERNATIONAL ECONOMIC ORDER

Sarney attacks world lending institutions

BY OUR UN CORRESPONDENT

PRESIDENT Jose Sarney of Brazil criticised international lending institutions and the growth *of protectionism in* an address to the United Nations General Assembly yesterday that focused on Latin America's economic problems and the heavy cost *of debt servicing*.

The "inadequate adjustments" proposed by international organisations — he appeared to be alluding in particular to the IMF — *represented a route to* recession, unemployment and the relinquishing of growth capacity, Sr Sarney said.

"This policy weakens civilian leadership, renders the social crisis explosive, threatens institutions, jeopardises order and, as a consequence, constitutes a threat to democratic structures," he said.

To add to the debtor states' difficulties, the markets of the developed countries were being closed to their exports, Brazil's first civilian president in more *than two decades said*.

Protectionist barriers proliferated, yet "we are unjustly accused of unfair trade practices.

"Our tradition is to honour our foreign commitments but we have the obligation to alert the world to the fact that the existing scenario must be reassessed. It must be restructured, because it is unfair."

Brazil, with *obligations* totalling $103bn (£72bn) is the largest debtor in Latin America. Sr Sarney said his Government *had no desire to make an ideo*logical issue of debt, or to transform it into a north-south or east-west confrontation.

"We believe that wherever free enterprise has collapsed freedom itself has disappeared," he said.

The Brazilian leader was the first speaker in the annual debate at the UN, which will go on for about three weeks.

About a dozen other heads of state will speak, as well as 100 or more foreign ministers and some 80 other heads of state or government are due to attend *for week-long commemorative* meetings marking the organization's 40th anniversary.

The Third World's economic *difficulties are* certain to be a principal theme on the General Assembly session.

In his speech, Sr Sarney mentioned the experience of re*building Europe after* the Second World War, saying: "We are experiencing a new today a situation which clamours for a renovative, creative vision.

"*The pillars of the current* order are eroded and obsolete: it is necessary for us to discuss concrete measures to adjust the international economic order to *present-day realities*."

Latin America's indebtedness *was no longer a merely regional*

UN

40th ANNIVERSARY SESSION

Shultz: "Soviet propaganda not to be taken seriously"

Shultz strikes first in SDI war of words

MR GEORGE SHULTZ, the U.S. Secretary of State, sought the support of UN members yesterday for the Reagan Administration's proposed Strategic Defence Initiative — the so-called Star Wars programme—asserting that it could "give our children and grandchildren a safer world."

In an address to *the UN* General Assembly on the first *day of the annual policy* debate, he said: "We would continue *to rely on deterrence to* prevent war, but deterrence would be *based more on denying* success to a potential attacker and less *on threatening* massive mutual destruction. Such a means of deterrence should be safer and more stable."

Both the *U.S.* and the *Soviet* Union—represented by Foreign Minister Eduard Shevardnadze —are expected to lobby heavily during the assembly session for their respective positions on disarmament, with the Star Wars *debate a dominant theme*.

Mr Shevardnadze is expected *to respond to Mr Shultz's* arguments when he speaks in the assembly today.

Mr Shultz said: "Our goal is not to achieve superiority, but to add to the security of both sides." He also quoted a remark by the late Soviet Premier Alexei Kosygin that an anti-missile system "is intended not for killing people but for saving human lives."

Mr Shultz said the U.S. wanted to co-operate with the Soviets *in making progress on* disarmament, but this demanded good will, realism and honesty.

The Soviet Union was re*searching some of the* same technologies as was the U.S. and was ahead in some, he said. It had the world's only extensively tested and fully operational anti-satellite system.

"The Soviet leaders know full well their own efforts in these fields," Mr Shultz said. "Their propaganda about American programmes is blatantly one-sided and not to be taken seriously."

In remarks about the Middle East, he *did not mention UK* Prime Minister Mrs Margaret Thatcher's initiative towards the opening of a dialogue with the PLO.

He said: "The moment is at hand—this year—to make major progress and to begin direct negotiations." Progress could only be achieved based on relevant UN Security Council resolutions, he said.

Mr Shultz said the fight against international terrorism had only begun and could not be won alone. "The civilised world must put the terrorists and their supporters on notice, we will defend ourselves in any way and every way we can," he said.

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Hopes fade of finding earthquake survivors

TEAMS of dogs scrabbling in the rubble of wrecked buildings offer the last *hope for trapped* survivors of the earthquake that may have killed up to 20,000 people here, agencies report from Mexico City.

The dogs, from Switzerland and the U.S., are among the more visible forms *of aid that* has been pouring into Mexico since the devastating earthquake last week.

Thousands of people, many wearing masks against the stench, pased slowly through makeshift morgues yesterday looking for familiar faces among decomposing bodies.

Mayor Ramon Aguirre's office said that the confirmed death toll was 1,952, with the number *of* missing estimated at close to 2,000. Other officials *said* 6,000 people were injured. In Washington, the state department said the Mexican Government had raised the official death toll to 3,461.

Aircraft from around the *world shuttled* aid *to* the stricken capital, as rescue workers from the U.S., Canada, France and West Germany joined their Mexican counterparts.

At the morgues, the bodies were *brought* in and grouped together according to where they had been found. The authorities, worried about the threat of disease, said bodies unclaimed after 48 *hours would* be buried in mass graves. More than 5,000 people in the heavily damaged Tlatelolco area had been inoculated against typhoil and tetanus since Saturday morning.

Mayor Aguirre said more than 400 buildings were destroyed or damaged by the two quakes. There were unconfirmed reports from newspapers and rescue workers that *officials planned* to pull down hundreds of structures feared likely to collapse

Police said that looters masquerading as relief workers and operating *in gangs of five to* 10, had driven through roadblocks in cars marked with red crosses to pillage jewellery shops, businesses and homes left unguarded *after* the earthquakes.

"We will act without mercy against such criminals since these kinds of actions are condemnable under the conditions that now exist," Mayor Aguirre said.

Nicaragua acts to stem dengue fever epidemic

By Tim Coone in Managua

AN epidemic of dengue fever, in Nicaragua, has provoked an emergency health measures campaign and is causing deep concern to *health ministry* officials.

The fever is caused by a virus transmitted by the mosquito aedes aegypti and the affected *patient suffers intense* fever, muscular pains and headaches lasting from three days to two weeks. Over half the 900,000 population of the capital has been infected in the past six months.

The health ministry is worried that haemorrhagic dengue may follow the first epidemic. This form can be lethal and the first three deaths it has caused were reported in the local press yesterday.

Guyana's Socialist rivals lose taste for a unified government

BY CANUTE JAMES IN KINGSTON

THE DEATH last month of Mr Forbes Burnham, President of Guyana, has killed a move towards some accommodation between the *country's* two Socialist parties. Enthusiasm for political co-operation has flagged, with little to indicate that it is a priority for either the ruling Peoples National Congress or the main opposi*tion Peoples Progressive Party*.

Mr Desmond Hoyte, who succeeded Mr Burnham as head of the English-speaking South American republic of 900,000 people, said talks with the Marxist PPP on forming a *broad-based government* "have not gone any great distanse."

Dr Cheddi Jagan, the PPP leader, told a recent party conference there was need for a political solution to the country's problems. Rather than any union with *PNC*, however, Dr Jagan said this solution would come by "replacing the existing Government with a truly representative one through free and fair elections."

PPP officials reject suggestions that the effort at political *co-operation was an individual* initiative by Mr Burnham which his successor was now unwilling to pursue.

The apparently waning interest of Dr Jagan in the proposal, however, is likely to be influenced by what Mr Hoyte is asking of the opposition. The *President said talks on political* union would be useful only if the PPP was willing to cooperate on the basis of a "national interest" which the ruling party had identified.

A general election is due next year and, despite Dr Jagan's decision to face the electorate on his own, Mr Hoyte is still offering "to keep the door open for them to enter *honourably into the arena of* nation-building."

Dr Jagan's hopes for ending the PNC's 21 year hegemony of Guyana's politics hinges, as he has implied, on free and fair elections. The *PPP*, and *foreign human rights* groups, had consistenly given Mr Burnham few marks for running a credible electoral system.

In the opinion of some diplomats in Georgetown, the capital, there is little to suggest the *Government plans* changes in the electoral system which would mollify the PNC's local and foreign detractors.

There are more differences than there are similarities between the PNC and PPP. Mr Hoyte appears to be heading Guyana more towards neutralism than non-alignment, and increasing ties to Eastern Europe, which his predecessor also favoured.

Dr Jagan, long the scourge of the Americans who helped to unseat him in favour of Mr Burnham in the early 1960s, has *indicated he would* prefer still stronger political and economic relations with Eastern Europe.

Washington apparently has been willing to entertain offers of an olive branch from the *new President*. The *U.S.* was interested in "improving ties with Guyana," according to a State Department statement soon after Mr Burnham's death.

While savouring the prospect of improved relations and possible economic benefits, Mr Hoyte faces the task of patching the country's tattered economy. A recent World Bank report said Guyana will need an infusion of at least $736m in the next decade for the economy to recover.

The cumulative balance of payments deficit between this year and 1990, said the World Bank, is likely to be $851m. It *suggested that the* Government seek a rescheduling of the terms of repaying parts of its $1.3bn foreign debt—a proposal with which Mr Hoyte apparently agrees.

The President, saying Guyana had n ointention of defaulting on repayments, explained: "We *must have time. We must ob*tain some reasonable rescheduling. We will continue to negotiate repayment terms with our creditors in good faith."

However, to achieve this, the President may have to bend in areas *where his* predecessor was inflexible. The World Bank suggested that the increased private investment and rescheduling foreign repayments would be possible only after an agreement between the Government and *the* International Monetary Fund.

Mr Burnham repeatedly rejected economic recommenda*tions from the IMF which* would pave the way for a package of credits.

The IMF this year declared Guyana ineligible for further assistance because it was late in repaying earlier loans. An IMF team visited Georgetown soon after Mr Hoyte replaced Mr *Burnham*.

The Inter American Develop*ment Bank, in its report on* the Guyanese economy, said there was little hope for immediate significant improvement, despite last year's growth, which the bank puts at 4 per cent and the Government at 2 per cent of gross domestic product.

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WORLD TRADE NEWS

Mill contract boosts Davy McKee deals in China to £150m

BY IAN RODGER IN LONDON

DAVY McKEE, the British engineering contracting group, has won a contract worth more than $20m to build an aluminium foil mill for Shanghai Aluminium.

It is the latest of a series of 25 contracts won by Davy McKee subsidiaries in China and brings the group's current order book in that country to £150m ($214m).

It also means that Davy's subsidiary in Poole, Dorset, which will carry out the Shanghai project, will be taking on workers only a few weeks after the group's Sheffield subsidiary announced 300 redundancies.

Mr Roy Tazzyman, managing director of Davy McKee (Poole), said: "We have been pursuing China since 1979, and it is nice to see some contracts coming in."

Mr Tazzyman said Poole had won two other contracts in China in the past month, one for a $7m paint coating line for a steel strip mill for Wu Han Iron and Steel in Hubei province and another for a $3m seamless steel tube mill for Hongdu Steel in Jiangxi province.

These contracts, and that for Shanghai Aluminium, are all on cash terms, although the foil mill project is backed by an $8m loan from the World Bank.

Mr Tazzyman said the orders meant that Poole's order books were "very full" and the company would have to add 20 people to its workforce of 380.

The foil mill would have capacity to make 6,000 tonnes a day of aluminium foil, mainly for cigarette packaging, when it was completed in mid-1988. The other two new projects were due for completion in mid-1987.

The Wu Han coating line would treat 60,000 tonnes of steel strip a year, mainly for domestic appliances, while the Hongdu mill would make 40,000 tonnes a year of seamless tube for oil exploration.

Elsewhere in China, Davy's West Germany subsidiary, Zimmer, is building 15 polymer and fibre plants while other Davy subsidiaries are building chemical plants and carrying out gold mining and steel industry projects.

CoCom talks may ease China high-tech curbs

BY CHRISTIAN TYLER, TRADE EDITOR

WESTERN SALES of computers and other high-technology products to China will become easier if negotiations involving Nato members and Japan in Paris this week are successful.

The Co-ordinating Committee for Multilateral Export Controls (CoCom) is attempting once again to give effect to a U.S. initiative, supported by others, to treat China more favourably than other Communist nations.

The negotiations concern so-called dual-use technologies that have military as well as civilian applications. These include certain computers, telecommunications equipment and the manufacturing processes for producing semiconductors.

Officials in Washington hope to get the American relaxation of licensing procedures announced nearly two years ago translated into a general Nato agreement.

The gist of the plan is that for the great majority of goods on the CoCom "embargo" list, Western and Japanese companies would no longer need CoCom approval before making a sale. The export licensing would be handled by national governments.

Since the re-opening of the China market, the CoCom approvals system has become bogged down with applications from companies anxious to secure a foothold in what they see as the last great uptapped market in the world.

But there have also been persistent complaints in Western Europe, denied by Washington, that the U.S. has tried to steal a march on competitors in that market.

A senior British official confirmed yesterday that the principle of relaxing CoCom surveillance of China was agreed. But the negotiations, which started in March, had been delayed by the complexity of the technical issues.

None of the items on the CoCom list would actually be removed, even if the negotiations this week are successful, officials said. But it would be easier for exporters to get approval for sales to China than to countries in the Soviet bloc.

Canada paves way for U.S. trade statement

BY BERNARD SIMON IN TORONTO

THE Canadian Government is cautiously paving the way for a controversial announcement, expected later this week, on its policy towards free trade with the U.S.

Mr James Kelleher, International Trade Minister, was due to brief Mr David Peterson, Ontario provinical premier, yesterday afternoon on the federal Government's intentions.

Mr Peterson has emerged as a key opponent of trade liberalisation, arguing that the issue needs further study to determine the impact on Canadian manufacturers of easier access for U.S. goods. About half of Canada's manufacturing industry is located in Ontario.

The free trade issue is expected to dominate Canadian political debate in coming months. The U.S. accounts for three-quarters of Canada's foreign trade and the two countries are each other's largest trading partners, with two-way flows reaching C$150bn (£79bn) in 1984.

The extent of Ottawa's nervousness is reflected in a secret document obtained by a local newspaper in which a high-level Government task force purportedly urges the authorities to play down the free trade issue.

The report is said to argue that "the higher the profile the issue ttains, the lower the degree of public approval will be."

There is considerable concern among trade unions and some industries, such as food and textiles, that freer trade with the U.S. will bring more costs than benefits to Canada, including the withdrawal of some U.S. investment and an erosion of Canada's political sovereignty and cultural identity.

The Government's policy statement is expected to fall short of endorsing a comprehensive free trade agreement. Ministers have been careful to avoid using the term "free trade."

Proponents of trade liberalisation point to the need to secure access to U.S. markets at a time of growing protectionism, and the potential for expanding foreign sales,

Cameroon presses on with colour TV network plan

BY JOHN DAVIES IN FRANKFURT

CAMEROON in West Africa is pressing ahead with plans for a nationwide colour television network, with the help of a consortium of 10 French and West German companies.

Under a contract worth about DM 240m (£61.5m), the consortium will build a production centre for TV programming in Yaounde, backed by a transmitting and relay station network.

The basic television equipment is being supplied by Robert Bosch, the West German electronics, communications and automotive parts group, whose share of the overall market is DM 74m. The network will employ PAL technical standards used in Europe, including Britain and West Germany.

The TV production centre is due to start up at the beginning of 1987. Advisers from the International Telecommunications Union in Geneva estimated that it could require about 2,000 employees.

A team of technicians from Cameroon has already been trained at Bosch's TV division at Darmstadt in West Germany.

The project includes the delivery of six mobile TV broadcasting vehicles, equipped with generators and intended to withstand the heat of northern Cameroon and the extreme humidity of coastal regions.

Algerian comeback for Spain

BY FRANCIS GHILES IN LONDON

A SWISS-SPANISH consortium has won a $125m contract to set up a new drinking water supply system in Oran, Algeria's second largest city.

The contract has been divided equally between Conrad Zschokke of Switzerland and Dragados y Construcciones of Spain. The contract is part of the ambitious plan to improve water supplies which is a priority in the current Algerian five-year plan (1985-1989).

The contract marks a comeback into an important market for Spain. Throughout last year, and until last March, Spanish companies were unable to win any major work in Algeria because of a dispute between the two countries over exports of Algerian liquefied natural gas (LNG) to Spain.

Paul Betts on prospects for a joint telecommunications project

France dawdles over AT&T deal

THE French Government is in no hurry to take a final decision on an important telecommunications deal between American Telephone & Telegraph (AT&T) and the French state-controlled Alcatel-Thomson group. M Louis Mexandeau, the French Minister of Post and Telecommunications (PTT), made this clear recently at the Sicob electronics trade fair in Paris.

M Mexandeau suggested, however, that there could be some new developments in the affair. His remarks coincided with the arrival in Paris of senior AT&T officials who are expected to be asked by the Government to improve their offer to collaborate with Alcatel-Thomson, the new group controlled by the nationalised Compagnie Générale d'Electricité (CGE).

Under the tentative agreement between AT&T and CGE, the American company would assist Alcatel-Thomson in its efforts to sell its E 10 Five digital telephone exchange to the former Bell operating companies in the U.S.

AT&T, in return, would be offered a 15-16 per cent share of the French public telephone switching market through an association with CGCT, the financially troubled former subsidiary of ITT which was nationalised by the Socialists three years ago.

At the same time, AT&T and Philips, which already has a public switch agreement with the U.S. group, would collaborate with Alcatel-Thomson in the microwave sector.

M Mexandeau said there were four principles which the Government would have to consider before approving any deal:

- The Government wants to make sure the deal will enable Alcatel-Thomson to penetrate more effectively than in the past the deregulated U.S. telephone market. M Mexandeau said that French efforts so far had met with only "relative success;"
- The impact any agreement would have on the image of French telecommunications and their technological independence. The Government is worried that the deal could eventually undermine Alcatel-Thomson's export efforts in other markets;
- The Government is concerned about the "coherence" of the deal with its general telecommunications strategy. M Mexandeau pointed out that the policy during the past three years had been to promote a European telecommunications industry capable of competing against the U.S. and Japan, and that it was extremely preoccupied by the AT & T and Philips link up two years ago;

A number of Government officials familiar with the deal claim that the tentative agreement between AT&T and CGE is still too vague on details. They feel that AT&T so far has not given CGE sufficiently attractive guarantees to penetrate the U.S. deregulated market in exchange for a slice of the French public switch market.

One official remarke that the Government might look upon the deal more favourably if the U.S. company could help CGE earn about $300m (£238m) in sales in the U.S. in the next three years rather than its existing suggestion of around $100m.

French officials also acknowledge that the Government is extremely wary of approving a politically controversial deal six months before a general election.

- The implications of the deal on the future of CGCT are also a source of deep concern. CGCT is on the verge of financial collapse and needs a partner in the public exchange business. But it also has sizable private telecommunications activities which need restructuring and strengthening through an industrial alliance. The Government would like a French

Alsthom in Saudi, Oman deals

ALSTHOM, the French engineering company controlled by the nationalised Compagnie Générale d'Elèctricité, has secured two contracts to supply gas turbine power stations for Saudi Arabia and Oman, David March reports from Paris.

The orders, for a total value of FFr 440m (£36.6m) are for three 20 MW units to be supplied to the Saudi Arabian Electricity Corporation and two 37 MW units for the town of Sohar in Oman.

Alsthom, which supplies the conventional generating equipment for France's nuclear power stations, has been making a big effort to sell smaller conventional plants abroad to help compensate for the downturn in French N-plant ordering.

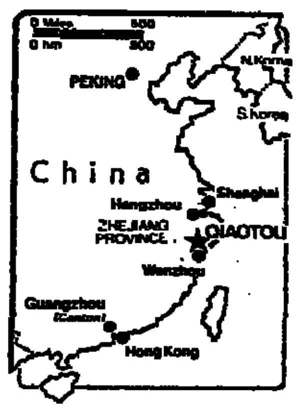
The Saudi equipment will be installed at Dubba in the north west of the country and should be operational in two years.

Our Cairo correspondent reports: The U.S. Agency for International Development has signed agreements with the Egyptian Ministry of Planning and International Co-operation for direct grants totalling $115.2m (£88m).

This is in addition to an agreement signed on July 31 for a direct grant of $22.2m to set up a fund offering Egyptian private sector companies medium-term loans co-financed by participating banks.

Chinese village sews up button market

BY DAVID DODWELL RECENTLY IN QIAOTOU, ZHEJIANG



THERE IS a curiously oppulent air to Qiaotou Village compared with the generally dilapidated country towns in the south of China's Zhejiang Province.

To say it is as bright as a button would be stretching a point, but the preponderance of three-storey houses and the nests of television aerials set it apart.

For remote and tiny though Qiaotou is, with a population of about 23,000, it has grown in the past three years to become China's biggest wholesale button market.

With more than 5,000 villagers trawling China at any one time buying buttons, and sales to garment factories and department stores throughout the country, its once-ragged villagers have become rich.

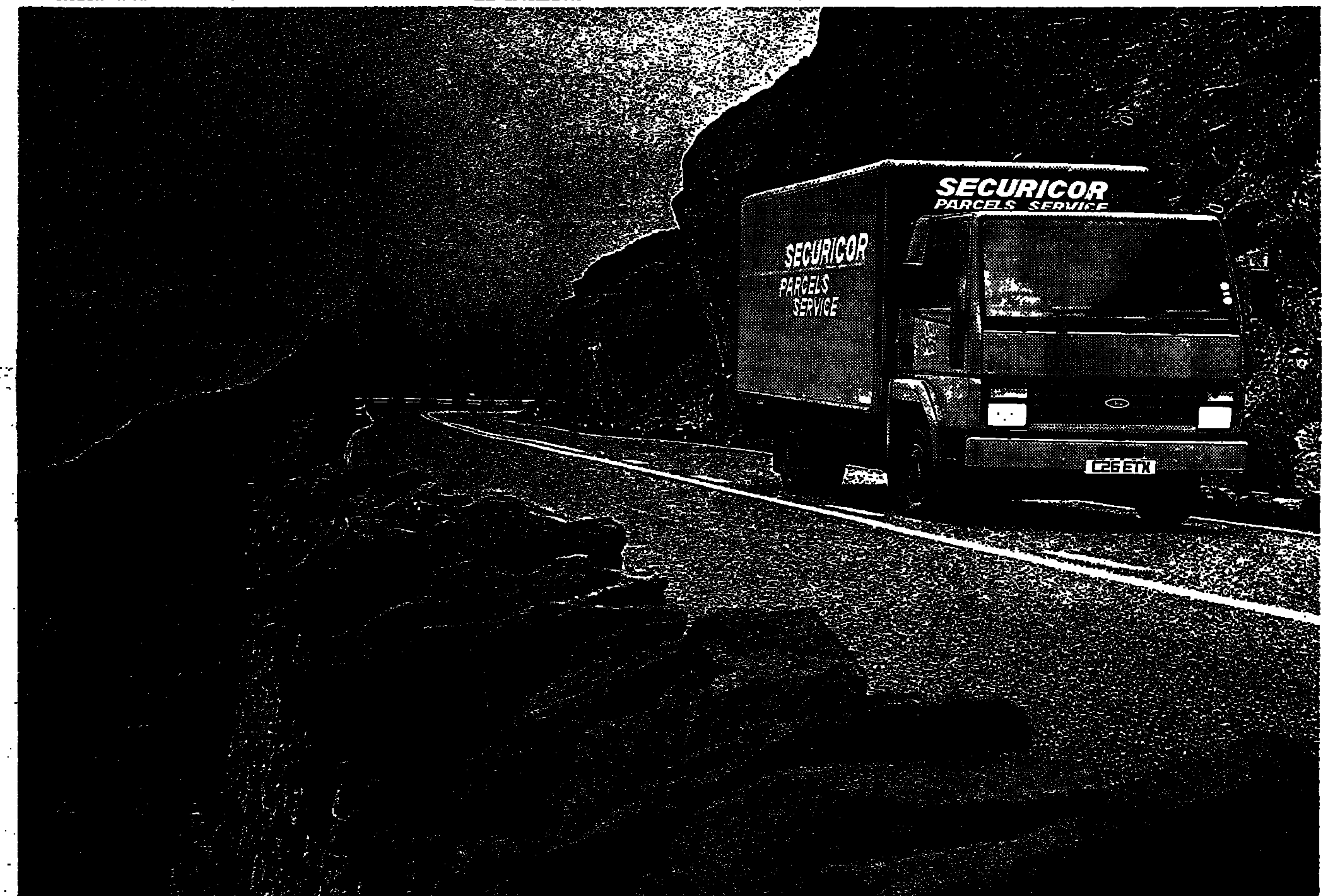
Pan Canghua, the township's head, says about 3,000 buyers arrive every day to browse around the 500-or-so button stalls, most of which are shaded from the fierce summer sun inside a sprawling permanent marquee.

Almost 2,000 kinds of buttons are on offer, Pan says, though to the untrained eye, it does not take long pushing and shoving between stalls before one button comes to look very much like any other. Daily sales amount to Renminbi yuan 200,000 (£50,825).

With the liberalisation of the economy since 1979, a group of villagers in 1981 decided to pool the knowledge they had accumulated as itinerant workers to set up a wholesale marketing network.

Buttons, they decided, were the ideal product. Everyone needs them. Large stocks can be bought for a comparatively small outlay, and turnover is rapid. Within months, other villagers had joined the venture, until today it involves over 3,000 families.

The Peking taxman has nothing to complain about either. Commercial and industrial tax receipts from Qiaotou last year amounted to more than RMB 2m.



It costs just £10 to test the Ford Cargo for reliability.

That's a typical charge Securicor make for delivering a package anywhere in the UK by 10 am the next day.

It's a service that depends on 350 Ford Cargos, for making local deliveries as well as long-distance trunking runs.

Securicor's time promise means reliability is the first thing they look for in a truck. Transport Director Ron Smith checks this constantly: there are three pages of computer information on every one of their vehicles.

And the computer has proved Cargo maintenance costs are well below the norm.

The fitters agree too. According to Ron Smith, Securicor's maintenance people all prefer Fords.

He likes the clean, good-looking lines of the Cargo.

And his drivers like the truck, too. This is especially important to Securicor, because their drivers meet the customers. The company sees them as part of the sales force.

In the main, Securicor run 7.5 and 16 tonne Cargos, and they're adding the new Cargo Cummins 10 litre.

"We choose every truck on merit," says Ron, "We make regular tests on competitive vehicles, and in peak periods we hire in other trucks, which gives us a chance to get a good look at them.

But I don't think there's a better truck anywhere than a Cargo."

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UK NEWS

Capacity cut of 30% forecast for coal industry

BY JOHN LLOYD INDUSTRIAL EDITOR

A REPORT on the National Coal Board's (NCB) market prospects shows that it may have to cut a huge proportion – up to 30 per cent – of its present capacity over the next two to three years.

The forecast, in the forthcoming issue of the FT's International Coal Report (ICR), says that the NCB may have to close some 56 pits by March 1987, on top of the 32 closed or marked for closure since January 1984, if it is to fulfill its Government-imposed target of breaking even in two years time.

These figures are given as the board and the three mining unions gather in London today for a meeting of the Coal Industry National Consultative Council, at which a new Plan for Coal is expected to be unveiled.

Mr Ian MacGregor, the NCB chairman, has already indicated that the plan will not contain any forecasts of demand or production capacity. However, he also said, in an inverview published last week, that a capacity of 90m tonnes, which he hoped to preserve, might be above available demand.

The 32 mines closed or about to close represent a 11.1m tonne capacity cut, while a further 1m tonnes has been lost from damage during the miners' strike. The ICR says: "If the board is to meet its target, a further 19.3m tonnes will have to be trimmed before April 1987, when Government funding of the board ends."

It adds: "Despite all the suffering of the last 12 months, little the board has done has changed its performance; by the end of August, an output rate of 2.69 tonnes a manshift was achieved – streets away from the targeted 4 tonnes a manshift."

The report gives a range of demand of between 76m tonnes and 81.6m tonnes for deep mined output by 1988, compared with a market of 98.9m tonnes in 1983.

It says that the coming on stream of five Advanced Gas Cooled Reactor (AGR) stations in the UK by 1988, coupled with the laying of a 2000 MW capacity electricity link to France, will lose the board around 15m tonnes from the electricity market.

In its other traditional markets, steel and domestic consumers have both turned to imports during the strike for a larger proportion of their demand; while exports will continue to be depressed. Only in industrial markets is any rise foreseen, of around 5m tonnes.

Over the next two years demand will be relatively high because of the need by the Central Electricity Generating Board to rebuild coal stocks, which could go as low as 8m tonnes this winter.

However, the 10m extra demand a year will come to an end in 1987, at the same time as the extra nuclear and French capacity becomes available and as the Government backing is ended.

Liverpool strike ballots

BY RICHARD EVANS AND NICK BUNKER

THE IMPACT of tomorrow's threatened strike by Liverpool's local authority employees remained in the balance last night as key unions balloted their members.

Several unions, including the National Union of Public Employees and teachers' unions, have rejected the indefinite strike call by local union officials. The 6,300-strong branch of the National Association of Local Government Officers is expected to vote against the strike when it meets today.

The key, however, is held by the General, Municipal and Boilermakers' union which balloted its members yesterday. It has power to bring the city to a standstill by using its security staff and caretakers to lock out the rest of the workforce.

Liverpool's leaders, in conflict with the Government over the deficit in the council's budget and who support the strike, presented their case yesterday to a special meeting of senior officials of the unions involved in the crisis.

CONVENTION TO DISCUSS RESTARTING SEA DISPOSAL OF RADIOACTIVE MATERIALS

Little risk seen from N-waste dumping

BY DAVID FISHLOCK, SCIENCE EDITOR

THE DUMPING of low radioactive waste at designated deep-ocean sites is expected to be given the green light by scientific reports presented to the London Dumping Convention today.

The 60-nation convention, more formally known as the Convention on the Prevention of Marine Pollution, will discuss proposals to restart the sea dumping of radioactive wastes in the light of reassurances given by several new studies.

Anti-nuclear organisations, including Greenpeace and Friends of the Earth, are campaigning against a decision by the member-states to resume dumping.

The convention has never permitted the sea dumping of highly radioactive wastes, which it "blacklists," along with mercury, crude oil and other toxic substances. But it has permitted the dumping of weak radioactive materials, mostly bulky waste from hospitals, laboratories and power stations, which has been embedded in 10 times its own weight of concrete.

Britain, which also undertakes sea dumping for other nations, suspended the activity in 1983 when the National Union of Seamen refused to crew the vessel hired for the annual dumping operation.

A subsequent joint inquiry in which British trade unions participated, under the chairmanship of Professor Fred Holliday, found that there was no danger in the way Britain was practising sea dumping. But the Holliday report recommended that the activity should remain suspended until the results of three further inquiries were available.

The results of all three inquiries will be given to the convention today.

One is the latest periodic review of the Nuclear Energy Agency, nuclear arm of the Organisation for Economic Co-operation and Development, which overseas the sea dumping of radioactivity.

It concludes that, even if it were expanded ten-fold, sea dumping presents an insignificant risk to human health.

The second report is by the International Atomic Energy Agency (IAEA) of the UN in Vienna, and is a revision of its advice on the kinds of radio-active waste which are not suitable for sea dumping.

Although this revision has not yet been approved by the IAEA board of governors, it is not expected to cause complications for the sea dumping operation.

The third report is the convention's own scientific study of the safety of sea dumping, undertaken by an expert panel of people with no nuclear industry connections. It concludes that under the conditions defined for sea dumping the risk to human health is very small.

The official British position is that, despite the weight of scientific evidence to show that radioactivity from wastes dumped in the deep ocean will not find its way back to humans, the Government is still not committed to a resumption of dumping. But it would be a more convenient alternative to land-based repositories.

The Government awaits yet another report, from the Department of the Environment, on the best practicable environmental options for disposal of low and intermediate-level radioactive wastes before it makers its decision.

Mr Paddy Ashdown, a Liberal MP, has accused the Government of disguising its real intentions over sea dumping. "The real problem facing us is not the few hundred oil drums they keep talking about, but the ½m tonnes of waste that would soon follow after the protests had died down," he said.

Mr Ashdown said dumping had been taking place for only 35 years "and no one can fairly claim that our scientific understanding yet goes far enough."

Cabinet ministers fail to agree over reform of property taxes

BY JOHN HUNT

A MEETING of senior ministers yesterday failed to reach agreement on reform of the system of domestic and business rates (local property taxes) after two hours of intense discussion in the Cabinet's local finance committee.

The proposals, put forward by Mr Kenneth Baker, Environment Secretary, have now gone back to his department for further work. Officials of other departments, particularly the Treasury, will also be studying the scheme in an attempt to work out a consensus.

The basic difficulty is a strong difference of view between Mr Baker and Mr Nigel Lawson, Chancellor of the Exchequer, on the form the reforms should take.

It was said last night that much work would have to be done before the package takes final shape. But the aim is to produce a Green Paper (discussion document) before the end of the year. Mr Baker is expected to give a "trailer" of what the Government has in mind when he addresses the Conservative Party annual conference in two weeks' time.

Although yesterday's meeting was described as routine, it was an unusually high-powered gathering with 13 Cabinet ministers present. It was presided over by Mrs Margaret Thatcher, the Prime Minister.

The scheme presented by Mr Baker proposes that the present system of rates should be replaced by a "split-level" method involving a flat rate residents' charge supplemented by a property tax based on the size of a dwelling.

About 70 per cent of the £6bn now raised from domestic rates would come from a charge on each adult over 18. This would vary between £100 and £600 depending on the area where it was levied.

Ministers are studiously avoiding the term "poll tax" which they feel could be presented as a levy on the right to vote.

The remaining 30 per cent would come from a property tax based on floor space and this would vary between various areas and households.

At present, domestic rates are assessed on the notional rental value of each property, regardless of the number of adult occupants. A system of rate rebates means that a minority of ratepayers pays the full amount.

The intention of the new proposals is to provide a more broadly based system and thus to put pressure on high-spending local authorities to keep their rates down.

The Treasury is, however, worried by the complexity of the scheme put forward by Mr Baker and favours a simpler answer. Mr Lawson would like domestic rates retained in a similar form to the present method but based on the capital value of a dwelling instead of the notional rental value.

Some ministers are concerned at the electoral repercussions of Mr Baker's proposals as they would result in some households paying more as a result.

Business rates, which account for half the total at present, would be set by the central government instead of local authorities under the scheme put forward by the Environment Department. On this point all ministers are agreed.

Last night, the proposals came under attack from Mr Gerald Kaufman, Labour's shadow home secretary. He said that the Government was trying to hide its proposals under a cosmetic name.

"It is a tax on votes – simply a poll tax in sheep's clothing," he claimed.

Peat and McLintock confirm merger talks

BY CLIVE WOLMAN

THE LONDON partners of the international accountancy firms Peat Marwick Mitchell and KMG Thomson McLintock yesterday confirmed weekend reports from the U.S. that they were holding exploratory merger talks.

A merger would displace Arthur Andersen as the world's largest accountancy firm. Peat Marwick Mitchell is the second largest accountancy firm in the UK with fee income in 1984 reaching £87m, while KMG Thomson McLintock is the tenth largest with £44.5m fee income.

Mr Frank Harding, the international contact partner in KMG Thomson McLintock in London said: "We have had several approaches in the past from the major firms. But with Peat we have got to the stage of preliminary discussions." Talks had been continuing at the international level for a few months, he said, but only in the last few weeks have they become more serious.

"We have not reached the stage of formal discussions and no proposals have been referred to our partners," said Mr Michael Renshall, a London partner of Peat Marwick Mitchell. "We are not close to an engagement yet, let alone a marriage."

The two firms would complement each other well in terms of geographic spread. KMG was formed by a merger in 1979 between a UK-U.S. group and European firms. It draws most of its fee income from Western Europe, particularly West Germany, France, the Netherlands and Switzerland. Its annual revenue is about $1bn.

By contrast, Peat Marwick Mitchell is a predominantly Anglo-Saxon firm. Well over half its revenue comes from the U.S., a proportion recently inflated by the rise in the value of the dollar. Its total worldwide revenue in the year to June 1984, the last reported figure, was $1.3bn.

Last year, merger talks between accountants Price Waterhouse, and Deloitte Haskins & Sells, which would also have created the world's largest accountancy firm, were aborted by the objections of many partnerships in their offices.

Company's secret wage ballot bypasses union

BY DAVID THOMAS, LABOUR STAFF

GRATTAN, the Bradford-based mail order company, has settled its pay negotiations this year by organising and winning a secret postal ballot of its workers in the face of opposition from its unions.

This unusual move shows that secret ballots are coming to be regarded as the legitimate way of reaching industrial decisions by both sides of industry.

The main union in Grattan – the shopworkers' union, Usdaw – is about to hold a secret ballot of its 1,500 members on industrial action as a response to the employer's move.

Grattan organised its ballot once its bargaining procedure, culminating in efforts by Acas, the conciliation service, had failed to reach agreement. Grattan was offering £7 a week or 8½ per cent, whichever was the greater, while Usdaw was asking for £8.50 a week.

"We received a lot of feed-back from our people that the offer was OK," Mr Ceri Thomas, Grattan's personnel director, said.

Using the Electoral Reform Society, Grattan sent ballot papers to all its 2,000 clerical and warehouse staff at their homes. "We moved quickly so the unions didn't have time to organise their opposition," Mr Thomas added.

Ballot papers went to all the relevant employees, not just to union members, because, as Mr Thomas put it, "we always apply the settlement to all our people."

There was an 80 per cent vote in favour on a 82 per cent response. Grattan immediately put the pay increase into pay packets and regarded its negotiations as closed.

Mr Michael Gordon, Usdaw's national officer for mail order companies, said that it was the first time that his union had met this form of employer action.

Move to break school pay deadlock

THE ACTING leader of the employers in the teachers' pay dispute in England and Wales is seeking meetings with Mrs Margaret Thatcher, the Prime Minister, and Mr Norman Willis, general secretary of the Trades Union Congress.

Mr John Pearman, who is in temporary charge of the local authorities' side in the seven-month dispute, which has caused widespread disruption in state schools, warned Mr Willis yesterday that the jobs of support staff in schools were now in jeopardy.

Mr Pearman's initiatives come during the absence on holiday of Mrs Nicky Harrison, the employers' leader. During her last absence, he made similar dramatic moves to end the dispute, informally offering the teachers a 6.86 per cent pay rise. The offer was subsequently rejected by Mrs Harrison and now stands at 5.85 per cent.

Mr Pearman, writing to Mrs Thatcher to seek a meeting, said that the education authorities felt "backed up against a wall of the Government's own construction."

In a letter to Mr Willis, he said the local authorities were "caught between milstones." He added: "The livelihood of some local authority manual workers, notably those in the school meals service, must be at risk."

The warning will be seen as an attempt to put pressure on the teachers' unions through the manual workers' unions. In the past, there has been friction between the two groupings.

□ EMPLOYEES of Barclays will each qualify for between £2,000 and £4,000 in bonus payments if they sign contracts to join the bank's new merchant banking and stockbroking company, Barclays de Zoete Wedd.

The contract of employment – which stipulates no union recognition or representation for DZW employees – has angered the Banking Insurance and Finance Union, some of whose members will transfer to the new company.

□ WILLIS FABER, the insurance broker, has reached agreement for a management buy-out of its Lloyd's managing agency business in a deal worth about $7m.

The divestment is one of the biggest so far in the Lloyd's insurance community and is in accordance with an Act which says that broking groups cannot continue to own a managing agency business after 1987. They may continue to own and run members' agencies.

□ TRADE union leaders are unhappy about British Telecom's proposed takeover of Mitel, the Canadian telecommunications equipment company. The Trades Union Congress has told the Monopolies and Mergers Commission, which is inquiring into the takeover plan, that it believes the deal could damage the telecommunications manufacturing industry in the UK. It said it was also worried about Mitel's reputation for being anti-union.

□ SCHRODERS, the merchant bank, has been named as the Government's adviser on the forthcoming sale of the 23 per cent of Cable & Wireless which its still owns.

The sale of the 100m shares will take place some time between the end of November and the end of March next year. Rowe & Pitman will be brokers to the issue.

(Advertisement)

DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

September 1985: Vol. 14, No. 9

Japan urgently seeking measures to expand domestic demand

After recording relatively high gains in April and May, the mining-manufacturing production index showed a 1.2 per cent drop in June from the preceding month. The production prediction index of the manufacturing industry forecast a 1.8 per cent drop in August after registering a 2.3 per cent gain in July.

Sluggish final demand

Production, which had been on a continued uptrend in 1983-84, has been zigzagging since the beginning of this year, indicating a gradual slowdown. The slowdown is due mainly to the deceleration of the increasing tempo of demand as a whole. Exports, which snowballed in 1984, began a marked slowdown late last year; private plant and equipment investment also turned somewhat moderate.

Along with the slowdown in final demand growth, the level of inventories has been steadily rising since late last year. During the first half of this year, the inventory index and the inventory-shipment ratio index rose 6.1 per cent and 5.1 per cent, respectively, while production and shipments gained only 2.7 per cent and 1.7 per cent.

Mirroring increased inventories, product prices have been weakening, centring on ceramics, stone and clay, nonferrous metals and electric appliances. Wholesale prices of domestic industrial products have been falling for five months in a row since March. In July, such prices were 0.9 per cent lower than the same month of last year when the yen's exchange rate was almost the same as in July.

These findings indicate that corporate performance is showing signs of faltering.

Slowing production

Looking at future business trends, the recovery of personal consumption and expansion of housing investment will help sustain demand, but corporate capital spending will be discouraged by a continued slowdown in exports and its impact on corporate profits. Under the circumstances, the expansion tempo of demand as a whole will probably slow down a bit in the months ahead. In particular, private orders for machinery, excluding those from the power utilities and those for ships, a leading indicator of private plant and equipment investment, remained low in the first half of this year, recording a 0.1 per cent gain in the first quarter and a 1.4 per cent rise in the second quarter. This indicates that private plant and equipment investment will slow down in the months ahead.

Imports are expected to increase gradually in the latter half of the year due to the yen's appreciation against the U.S. dollar and the Japanese Government's efforts to promote purchases of goods and services from abroad. Under these circumstances, production growth in the second half seems likely to decelerate. In some sectors of the manufacturing industry, production may mark time as inventory adjustment temporarily picks up. There is a possibility that corporate business results will slow down in the second half of 1985.

Expanding trade imbalance

Amid mounting demand from abroad for further opening of the Japanese market, Japan's current account surplus has been expanding. (Please see chart.) In June, Japan ran a surplus of $5.7 billion in the trade balance and a surplus of $5.3 billion in the current account balance, both the highest monthly figures ever recorded. In the second quarter (April-June), the current account balance registered a record $12.1 billion surplus after seasonal adjustment.

A major factor contributing to the huge surpluses is the fact that Japan has built up a merchandise trade structure featuring a continuing surplus on the strength of strong export competitiveness and slowing imports of raw materials and fuels.

Another factor is the narrowing deficits in the invisible trade balance. Interest and dividend income from securities investments abroad rapidly expanded to partially cancel out deficits in the transportation and tourism balances.

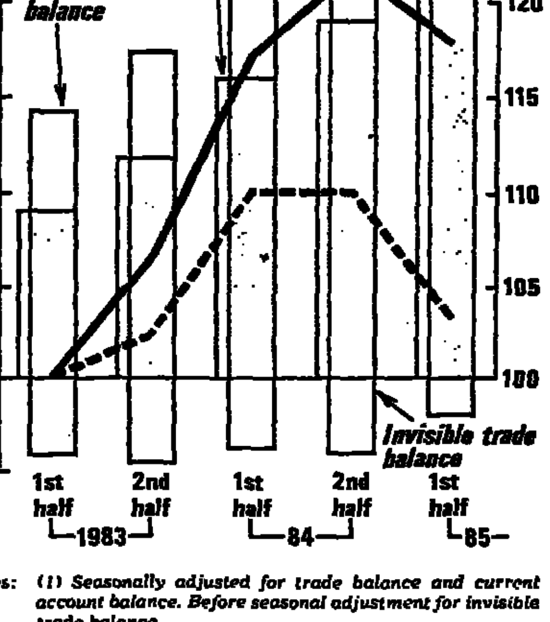
While surpluses in the current account balances have been accumulating, the outflow of long-term capital continues on a massive scale. In June, the long-term capital balance showed a record deficit of $8.1 billion. The driving force is the still wide interest rate differential between Japan and the U.S. — 3.8 to 4.7 per cent higher in the U.S. during the three-month period from May to July. The massive outflow of long-term capital helped lower the yen's exchange rate, which worked to further expand the trade imbalance.

The U.S. trade deficit has been expanding, and in particular the trade deficit vis-a-vis Japan shows no signs of lessening. In the first half of 1985, Japan was responsible for 34 per cent of the U.S. trade deficit, compared to 30 per cent in 1984.

'Action program'

In an attempt to narrow the huge trade surplus, the Japanese Government announced late July the long-awaited package of measures for opening Japan's markets to foreign goods and services. The "Action Program for Improved Market Access" pledged that Japan will open its markets wider in the following six areas within three years — (1) tariffs, (2) import quotas, (3) standards, certifications and import procedures, (4) government procurement, (5) financial and capital markets, and (6) services and import promotion measures.

Current Account Balance and Foreign Trade



Notes: (1) Seasonally adjusted for trade balance and current account balance. Before seasonal adjustment for invisible trade balance.
(2) Index (1st half of 1983=100; seasonally adjusted) for exports and imports.
Source: Bank of Japan.

Noteworthy is the fact that Japan greatly simplified standards, certifications and import procedures in response to past strong demands from the U.S., West European countries and other trading partners. Also, Japan decided to lower tariffs 20 per cent on 1,790 items.

Still, there remains some doubt whether the package will really be effective in the short term in helping to narrow the external trade imbalance.

Governmental measures on exchange rates and domestic demand appear to be a faster remedy to solve the trade imbalance problem than the import promotion measures specified in the action program.

Exchange rate policy and promotion of domestic demand

However, it is very difficult under the current floating exchange rate system for the Japanese Government to guide the yen to the desired level against the U.S. dollar. As the current yen-dollar exchange rate is determined primarily by the interest differential between the two countries, reducing high interest rates by cutting the massive U.S. budget deficits might well be of top priority.

As for a domestic demand promotion policy, the mobilization of fiscal policy — expansion of public investments, income tax reduction and investment credit — is recognized as a very effective means to stimulate domestic demand. However, it works against the government's fiscal rehabilitation policy. Among conceivable steps to promote domestic demand without seriously affecting the fiscal rehabilitation are privatization, deregulation, expansion of the five-day-week system and others now being worked out by the government's working committees.

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TECHNOLOGY

EDITED BY ALAN CANE

Testing satellites to extremes

Testing is central to Rockwell's work on a $1.2bn navigation satellite programme for the Pentagon, reports Peter Marsh

A GIANT chamber in Los Angeles the size of a small house is one of the keys to a $1.2bn programme by Rockwell, the U.S. aerospace company, to build a new set of navigation satellites for America's armed forces and civilian users.

The chamber, nine metres in diameter and 10 metres long, simulates conditions in space 16,000 km above the earth in which the Global Positioning System satellites will be located.

Each of the 28 vehicles Rockwell is building under a contract with the Defence Department will spend 29 days in the chamber, while temperature and pressure are controlled by four Hewlett-Packard computers.

The spacecraft will experience a range of temperatures ranging between 100° C and 191° C and pressures as low as 2 ten-thousandths of an atmosphere.

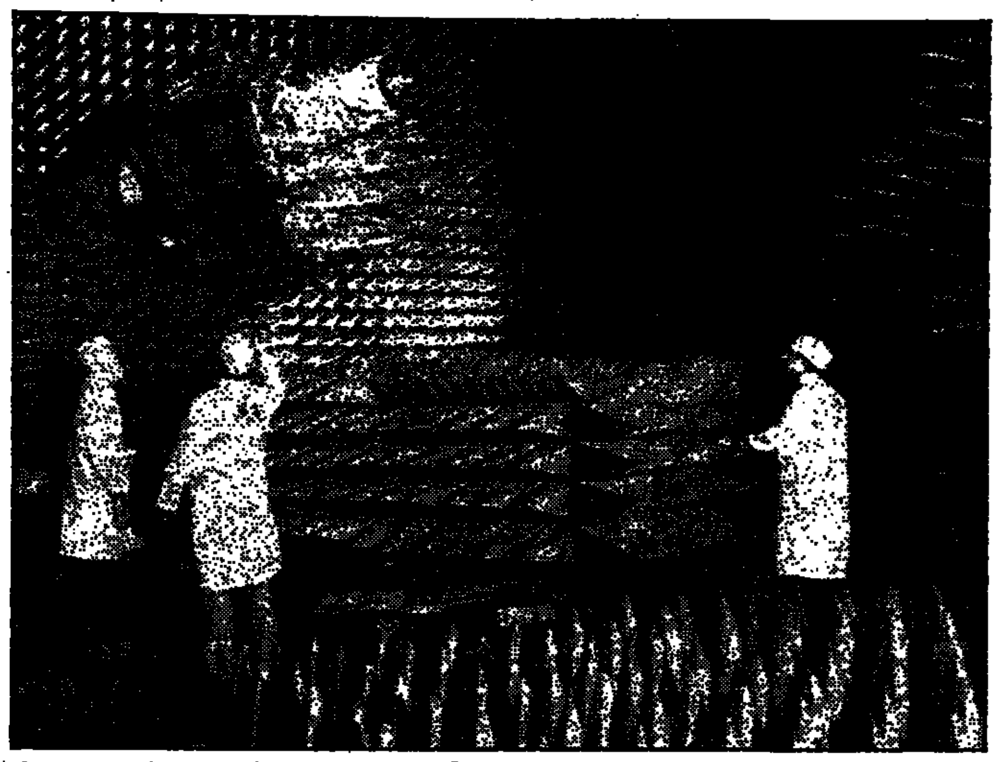
The pattern of conditions will be changed automatically to replicate as near as possible those experienced by the satellites as they move in orbit, becoming periodically warmed by the Sun and then cooling when the latter is hidden by the Earth.

Although thermal chambers of this kind of spacecraft testing are far from new, Rockwell says the $8.6m facility, built by the Chicago Bridge and Iron company, is more advanced than most similar equipment in terms of the degree of control by computers.

The installation contains special fixtures which connect parts of satellites, radio antennas or solar rays for example, to monitoring hardware which will check on readings such as temperatures and voltages during the test cycles.

The chamber is part of a $44m production line that Rockwell has built to turn out the navigation satellites, the first of which should enter orbit next August aboard a space shuttle. The system of 18 satellites in a set of three orbits (plus 10 pares, some in space and the rest on the ground) should be completed by the 1990s, enabling armed services and a variety of civilian users to tune in with the correct receiving equipment.

The receivers pick up signals from two or more satellites simultaneously. With information about the position of the space vehicles and the frequencies on which they are transmitting, the receivers compute the map reference of the ground equipment.



Antenna testing: a navigation satellite undergoes checks inside a special noise- and reflection-free chamber at Rockwell's Satellite Systems Division

Using the Global Positioning System, soldiers with manpacks or on tanks and Navy or Air Force officers should be able to work out their position in three dimensions to within 15 metres, a tenfold improvement on the accuracy of navigation systems that rely on receivers tuning into ground-based radio beacons.

The hardware promises also to provide information about velocity to within 10 cm/second. Under an arrangement with the Pentagon, civilians will also be able to tune into the space hardware. They will not, however, be given access to the radio codes used by military forces which provide highly accurate information.

Instead, civilian users such as the U.S. Federal Aviation Authority and scientific organisations will with the satellites gain positional information to within 100 metres.

Ultimately, the Defence Department plans to buy about 26,000 receivers for the U.S. Army, Navy and Air Force. The complete Global Positioning System, including satellite-control and receiving hardware, is costing the Pentagon about $6bn.

Collins, a division of Rockwell based in Cedar Rapids, Iowa, has an initial contract from the Pentagon to provide 6,100 receivers at a price of $434m.

Current receiving equipment costs between $30,000 and $100,000 depending on its sophistication. Other U.S. companies, Magnavox for instance, plan to produce hardware for the civilian market over the next few years the price of which could fall by the 1990s to a few hundred dollars.

According to some observers, the receivers could eventually become cheap enough for people to fit them, for instance, inside car dashboards. The equipment could be linked to computer mechanism that display on a screen a map of the area in which the car is travelling, giving its driver an instant indication of his or her position.

Another military application is to feed information from the satellites into the computers inside guided missiles as they coast through space to their targets, guaranteeing the accuracy of the devices. This possibility, according to Rockwell engineers, is under consideration for adaptation to the guidance systems for the Trident missiles due to be carried by the U.S. and British submarines.

Next generation of machines will revive sales, says survey

Professional Personal Computing

GEOFFREY CHARLISH

ARE PERSONAL computers really personal? According to a survey carried out by Wharton Information Systems during the first half of this year, 80 per cent of the machines in use are shared.

Often a machine nominally allocated to an executive is shared with a secretary — and the latter use is the fastest growing.

In any event, the total numbers are increasing. There were 0.25m machines in offices by the end of 1984. Over half of them were sold during that year, representing an expenditure of more than £600m.

According to Keith Wharton, sales will double in 1985 and push the installed base over the 0.5m mark. By 1990, the total expenditure on hardware and software will reach £6bn annually and the total number of PCs installed will be approaching 3m.

The survey is thought to be the largest yet conducted in the UK and is based on 600 mail and telephone responses covering PC use during April. It covers machines costing more than £2,000 with 16 or 32 bit processors, a standard operating system, high resolution monitor and letter quality printer.

The work confirms that the PC market is still very much vendor-driven — buyers cannot easily decide what they want because new technology continues to leap-frog.

In the U.S., the slow-down in sales is thought to have taken place because most of the people who can reasonably justify purchasing today's technology have done so. We may see the same trend in the UK in 1986-87.

But in neither country is the effect likely to persist, says Wharton. The next generation of machines will be more powerful and the operating systems much more helpful For example, sophisticated graphics, previously expensive to produce on the PC, will become more evident as logic and memory chips become cheaper. There is bound to be a second wave of buying.

Three main uses of PCs were identified: word processing (WP), spreadsheet/accounting and database applications — and one or two interesting points emerge. Buyers made more use of WP and spreadsheet than they thought they would at the time of purchase. And in fact, there are now more PCs installed primarily for word processing than there are dedicated WP machines. But of the 35 per cent who bought a database package (a means of collecting, storing, updating and accessing specific information), only one in ten have been able to implement it properly.

Otherwise, users seemed to be generally happy with their new systems, although they were all critical of the levels of support they were receiving, both from the dealers and the manuals supplied by the makers.

The report devotes about half its 250 pages to an analysis of the companies active in the UK.

In the hardware arena, IBM overtook ACT as sales leader during 1984 and claimed 34 per cent while ACT was said to have 26 per cent. The remainder of the PC market was "extremely fragmented" consisting mainly of Apple, DEC, Olivetti, Triumph Adler and Wang, all with sales of under 10,000 units each. Another 25,000 units or so were sold by a large number of other suppliers.

'Often a machine nominally allocated to an executive is in practice shared with a secretary'

Olivetti and Triumph Adler were the only suppliers to gain market share in the face of the stranglehold that IBM and ACT have on the machine market. Wharton believes that the only major challenge to this league table in 1985 is likely to come from Compaq. In 1986, the challenger will be DEC.

Frow now on it is expected that PCs will appear in two forms. One is the basic intelligent workstation, similar to the machines now on the market, with low price tags and relatively unsophisticated screen and operating system. No more power will be added by the makers and the price will drop. Users will be clerks and professional users with a specific task, like accountants.

The second type will embrace 32-bit operation, at least 1m bytes (characters) of chip memory, communications for electronic mail and very user-friendly software. The operating system will probably be a further improved version of Unix. Prices will remain fairly constant, allowing increasing power and sophistication to be built in.

Wharton perceives a somewhat disturbed time for the software suppliers, mainly due to the fact that the oncoming 32-bit machines will, he suggests, deploy a user-friendly version of Unix rather than CP/M or MS-DOS. There will be a problem because at these higher levels of sophistication, support will be difficult to provide without higher prices.

Yet more "de-personalisation" of the PC seems bound to occur, mainly because of the way machines are being bought and used — in quantity, with relatively larger user companies pressing their purchasing power to the utmost.

Since the trend is towards departmental computing, multi-user operating systems seem bound to dominate. Unix, in a more friendly form, is an obvious front runner, but proprietary alternatives are likely to appear, notably from IBM — if only because the corporation has watched some of the independent software companies make substantial profits from systems sold for IBM hardware.

For application packages, a note of caution is sounded. Feedback from the survey participants indicates that with windows between which data can be moved, integrated suites of business software covering several activities at once, and other enhancements, the trend may have "gone as far as is particularly beneficial to the user."

The survey indicates that although many are looking to expert systems as the next breakthrough, "already the reaction is becoming sceptical."

Bullish sounds come from the makers however. For example, Mr Ken Olsen, DEC's chief executive commented that with the emergence of the 32-bit multi-user trend, "the battle for the PC market has not yet begun."

Personal Computers in UK Offices—The Position in 1985; Wharton Information Systems; £6.50.

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Scrambler fax device is launched

MUIRHEAD, one of the UK's leading facsimile machine suppliers, has introduced two new models. One is a compact machine that can send an A4 document at high speed, the other is capable is "scrambling" a fax transmission so that it cannot be picked up illegally.

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The other machine, the model 7850S, solves the problem of sending classified or sensitive documents anywhere in the world quickly, accurately and securely. It uses an encrytion technique which, in effect, mixes up the way in which the individual picture elements are sent, reassembling them in their original form at the other end.

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UK NEWS

Pit unions are being told that the good times are over. **John Lloyd reports.**

Coal plans for its shrinking markets

IT IS WORSE than was thought. Mr Ian MacGregor, the National Coal Board (NCB) chairman, was right to say, in an interview last week with the FT's International Coal Report (ICR), that his employees were "living on borrowed time" and did not appreciate how bad things could be.

They could be very bad for the industry, and for all who work in it; the year-long coal strike exacerbated the problems very greatly, but they were already huge.

Coal and its place in UK energy supply, the mineworkers and their place in society, are problems that have not been solved by the strike. They will remain to plague any and every government for the next decade.

The ICR's central forecast, that the total demand for deep-mined coal by 1988 may be as low as 72m tonnes and no higher than 82m tonnes, will hang like a pall today over the meeting of the Coal Industry National Consultative Council, where the NCB will disclose to the three mining unions the new Plan for Coal.

This is the framework for the industry that will replace the expansionist document first agreed in outline in 1974, and which never fulfilled more than a small part of its promise to get coal production up in stages to an output of 150m tonnes by this year. It was a classic instance of non-market planning. The market hit back.

Electricity is the largest market. It will continue to be so, and over the next two years the Central Electricity Generating Board (CEGB) will do the NCB no end of good by rebuilding its stocks to pre-strike levels. Lord Marshall, the CEGB chairman, has told his officials that he wants to get stocks up to 31m tonnes. This winter, stocks will go as low as 6m tonnes.

So, for the next two years, the CEGB is likely to take some 40m tonnes a year extra. After that, as one official puts it, "the NCB will go over a cliff" – the extra demand will dry up.

About the same time, five Advanced Gas-Cooled Reactor (AGR) stations come on the grid, either in England or Scotland, and a cross-Channel electricity link will be completed, capable of carrying 2000 MW of low-priced surplus French (nuclear-produced) electricity. Demand will probably not be up much, and coal stations will still be getting more energy-efficient.

The ICR says that "while some oil can be displaced by the arrival of the new AGR units, it is mostly coal which will be hit. In all, the AGRs in the CEGB's system can displace 10m tonnes of coal."

The French link is shrouded in mystery. It might, possibly, be used simply for emergencies. However, since the power is so cheap – possibly as low as 1.5p a unit (half of the CEGB's production costs) it would pay to use as much as possible.

Coal for steelmaking has been falling since the late 1970s. It now consumes some 8m to 8.5m tonnes a year, but the strike lost 1.5m tonnes of what had been the British share of that market to imports. Imports now account for 5m tonnes of cooking coal.

The domestic market dropped by 2.1m tonnes in 1985, some of that probably lost for good to importers. Exports had already dropped from 8.6m tonnes in 1983 to 2.3m tonnes in 1984, as imports grew from 4.6m in 1983 to 11.3m in 1984, and to higher levels in the present year.

Local Tories attack presentation of government policies

BY JOHN HUNT

A RECORD number of motions critical of the presentation of government policy has been put on the agenda by constituency parties for the Conservative Party annual conference, which opens at Blackpool, north-west England in two weeks

At a press conference announcing the agenda yesterday, Mr Norman Tebbit, the new party chairman, denied the Government was in "mid-term doldrums" and predicted that the tide of public opinion would be flowing in its favour within the next two years.

Mr Tebbit and the new team of government ministers announced in the recent reshuffle will use the conference to mount a counter-attack on the opposition parties and on some of the critics within their own ranks.

Nevertheless, the number of critical motions on the agenda reflects the deep level of concern among the party rank and file over the Conservatives' poor showing in recent opinion polls and the continued rise in support for the Social Democratic/Liberal Alliance.

The party faithful use the traditional coded method of criticising presentation, rather than the policies themselves. It is clear from the wording, however, that they are worried about policy and about interest rates and the high level of unemployment.

Some motions loyally praise Mrs Margaret Thatcher, the Prime Minster, but others imply that her brash style is driving away support.

Mr Tebbit conceded yesterday that there had been shortcomings in presentation and said the blame rested on everyone in Government and in the party.

Rejecting suggestions that the Government was in the doldrums, he thought the political weather had been "rather breezy." The important thing was to keep going with the business of effective government and "turn public opinion firmly in our favour within the next couple of years or so."

There are 97 motions on party policy and public relations, most of them critical of the Government.

One of the few favourable ones, from Wrekin Conservative Association, has been selected for debate. It pledges full support to government policies and to campaign for the Government energetically in the constituencies. Mr Tebbit will reply in his first speech as party chairman.

In contrast, a motion from Pembroke, not selected for debate, urges the Government to analyse the "widespread general disenchantment" caused not merely by mid-term "blues" but through a continued failure of communication.

A South Bedfordshire resolution views with dismay the outcome of the recent county council elections. It says that to avoid similar disasters at the next general election and in next year's district council elections the Government must urgently review the presentation of policy.

Maidstone says the Government has acquired the false public image of being "domineering, dictatorial, uncaring and unsympathetic."

There are some forceful motions on the economy. One from Glasgow Pollock states bluntly: "This conference believes that all the benefits that can be gained from monetarism have been realised and that new initiatives by the Government to build on these successes are now overdue."

Air tour operators lose fight for survival

By Arthur Sandles

ABOUT 30 of the 380 package tour companies who are required to renew their operating licence this week now appear unlikely to do so. The battle to stay in business while the major tour companies indulge in a margin-cutting price war is proving too much.

Half of Britain's air tour operator licences (Atols) are due for renewal by the close of business on Thursday – the rest are renewed in the spring. The Civil Aviation Authority (CAA) has to be satisfied with an operator's financial standing and be provided with a bond to rescue customers should a company collapse.

By yesterday, some 322 operators had applied for renewal of their licences and a few more are expected as the deadline nears. It is possible that some of the applicants will be rejected, and many may be asked for further guarantees.

It is not unusual for 20 or 30 companies to fail to complete the renewal procedure by the official deadline, most of them for purely administrative reasons or because the CAA has sought a further injection of capital.

For the past two years, however, the number of companies simply deciding to pull out of the tour business has increased. Last year, for example, Granada announced that package tourism was not profitable enough and dropped its tour programme.

The licences cover only air charter tours. The CAA does not licence companies which use scheduled airlines, cruise or ferry companies or coach tour operators.

Grosvenor claims 'violation' of rights

By Raymond Hughes in Strasbourg

TENANTS of houses in Belgravia, one of the wealthiest parts of London, had been able to make large tax-free profits by selling their homes after buying the freeholds at knockdown prices, the European Court of Human Rights in Strasbourg was told yesterday.

Profits had ranged from £32,000 to £182,000 on properties bought for up to £111,000.

The former landlord of the properties, the Grosvenor Estate, London's largest private landlord, asserted that the tenants had profited at its expense because of the workings of the 1967 Leasehold Reform Act.

Grosvenor Estate, owned by the estate of the second Duke of Westminster, complained that the Act, which enables house tenants with leases of 21 years or more to buy their freeholds on preferential terms below market value, violated the landlord's property rights guaranteed by Article I of the first protocol to the European Human Rights Convention.

The estate, which claims to have lost about £2½m on the enforced sale to tenants of 80 houses in Belgravia, where it owns about 1,300 houses, is asking the court to rule that it should be compensated by the Government.

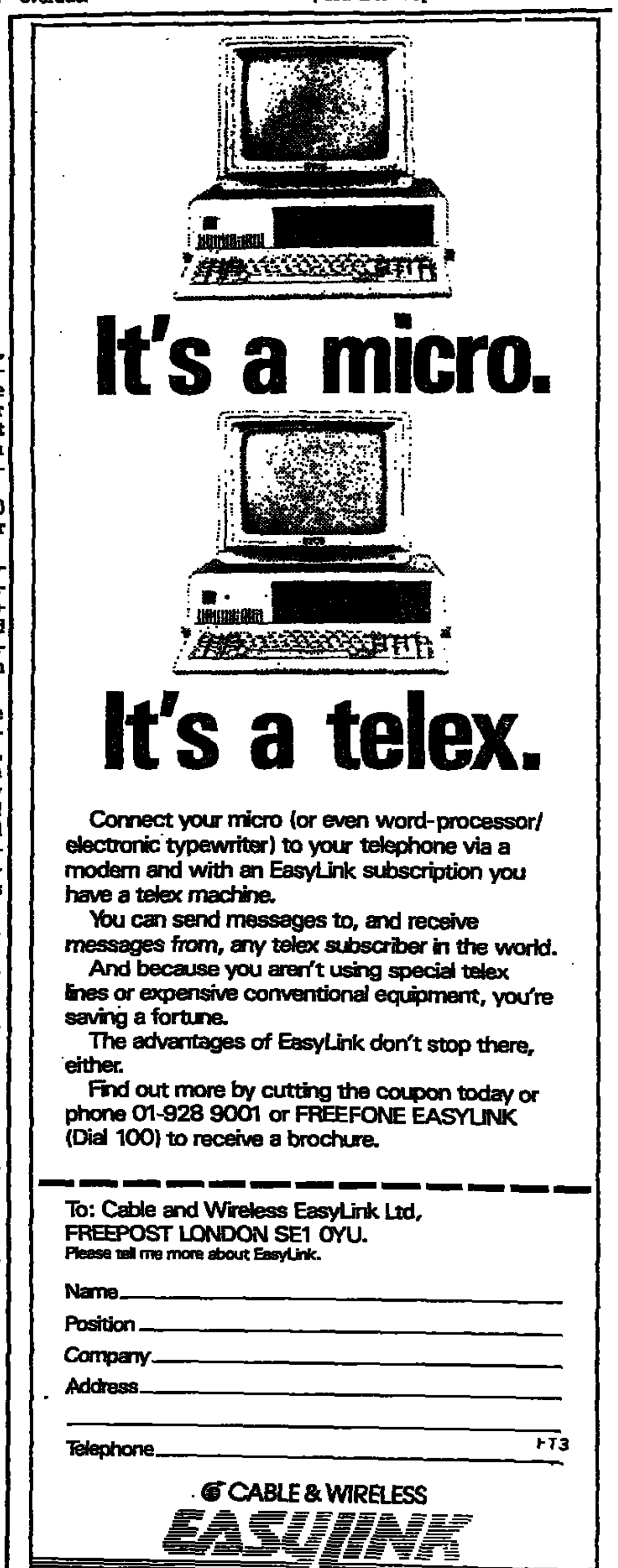
Last year the European Human Rights Commission unanimously decided that the 1967 Act was covered by a provision in Article 1 that no one should be deprived of his possessions "except in the public interest."

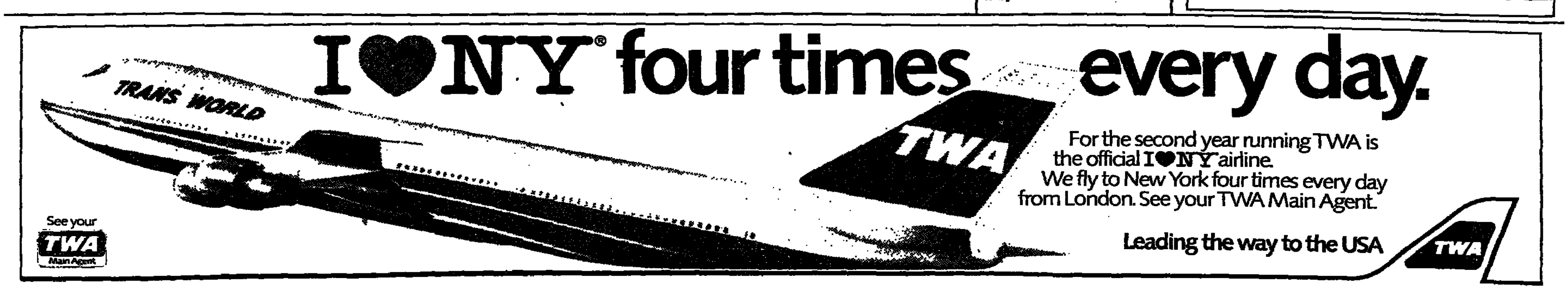
The commission accepted the view of the 1967 Labour Government that people with long leases had a "moral entitlement" to buy their freeholds and that the Act was therefore in the public interest.

The Government yesterday adopted the commission's views and asked the court to reject Grosvenor Estate's claim.

Mr Michael Beloff, QC for Grosvenor Estate, told the Court that over three centuries the Dukes of Westminster had built up Belgravia into the most sought-after residential area in the UK. Its tenants had been described as the richest population in the world.

The hearing will be concluded today.





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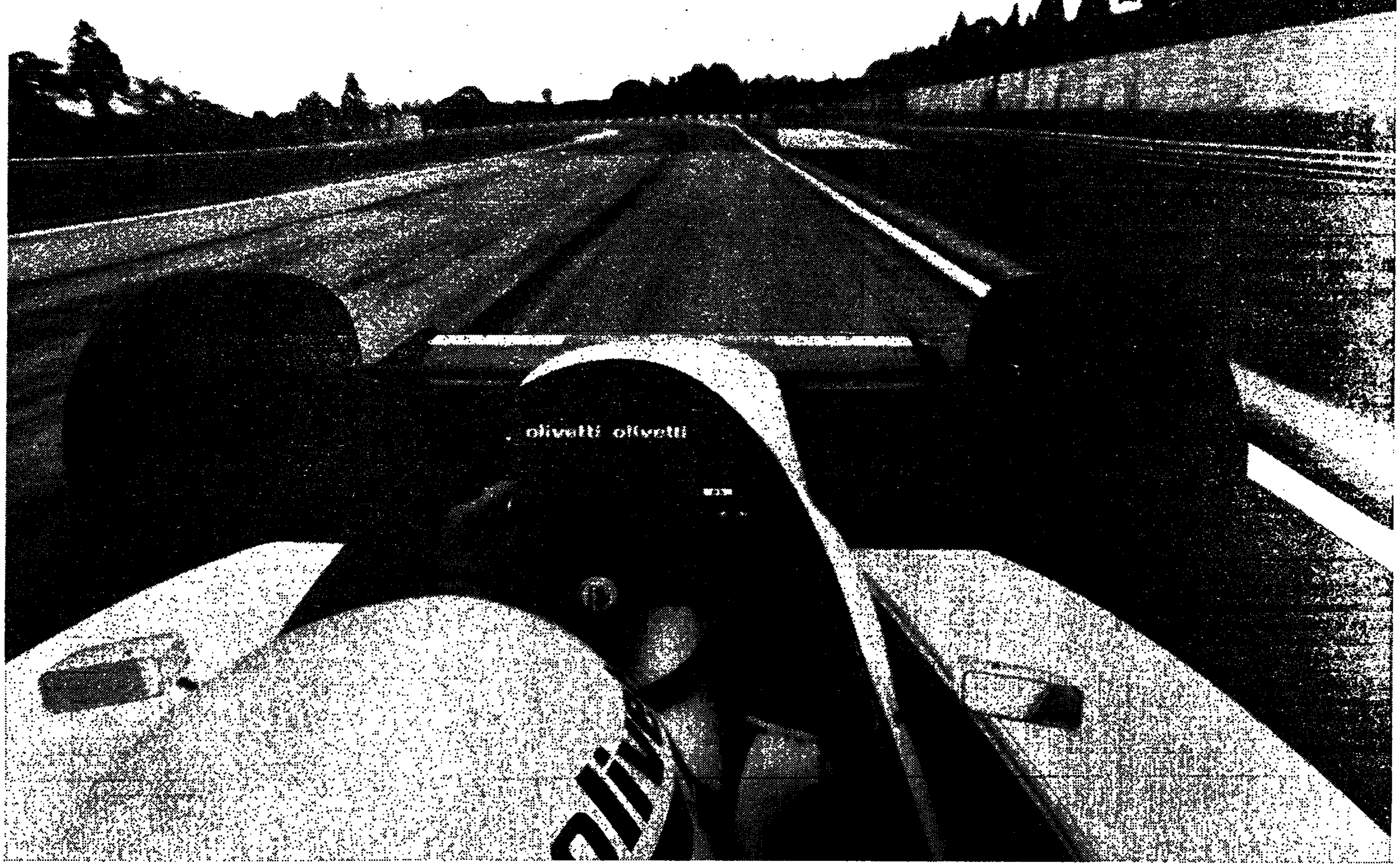

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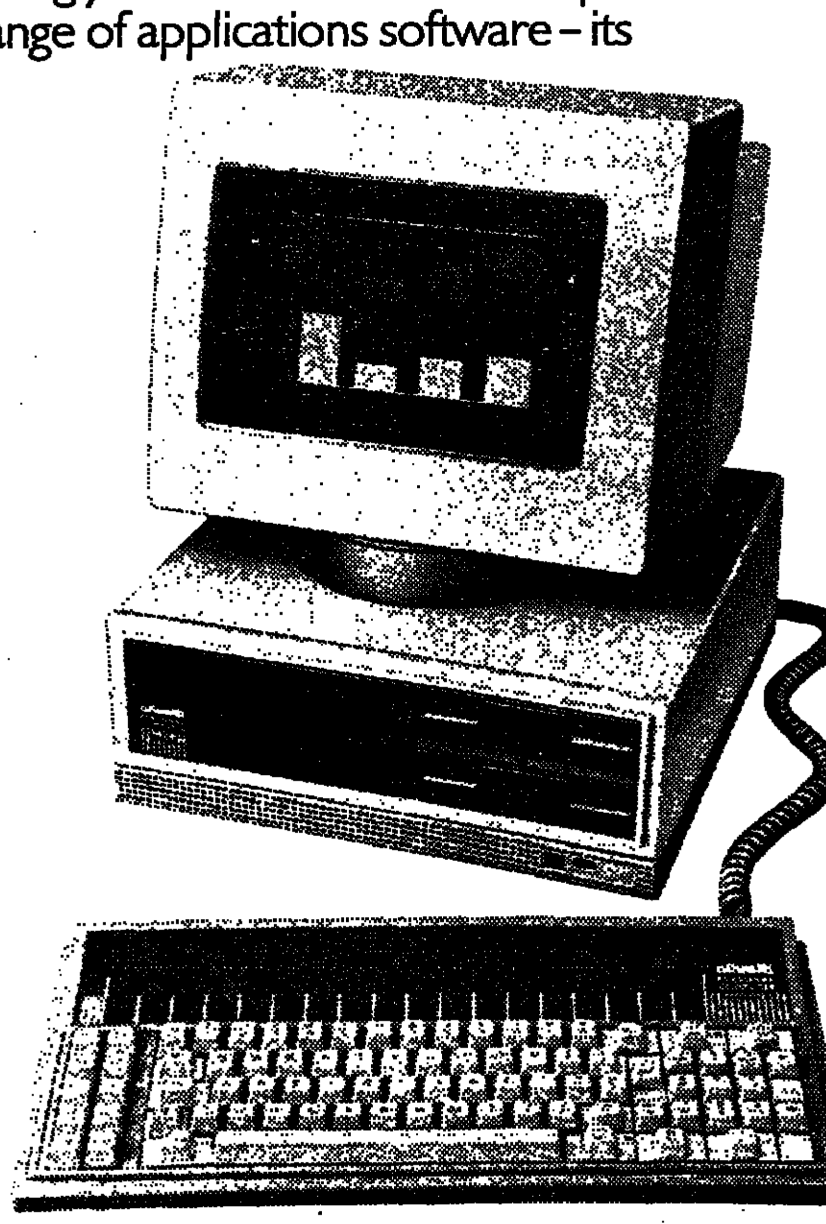

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148	123	Ass. Brit. Ind. Ord. ...	131	—	6.6	5.0	7.3	8.7
151	135	Ass. Brit. Ind. CULS...	137	—	10.0	7.3	—	—
77	43	Airsprung Group	55	—	6.4	11.6	9.2	12.0
43	28	Armitage and Rhodes...	43xd	—	4.3	10.0	5.3	6.4
159	108	Bardon Hill..................	155	—	4.0	2.6	19.6	20.4
84	42	Bray Technologies	61	−1	3.9	6.4	7.4	8.6
201	157	CCL Ordinary	157	—	12.0	7.6	3.8	3.7
162	104	CCL 11pc Conv. Pref....	104	—	15.7	15.1	—	—
130	10	Carborundum Ord.	124	+1	4.9	4.0	6.1	9.6
90	83	Carborundum 7.5pc Pf.	90	—	10.7	11.9	—	—
73	46	Deborah Services.........	51	—	7.0	13.7	5.3	7.0
606	162	Frank Horsell..............	606	—	1.4	0.2	14.3	19.2
497	170	Frank Horsell Pr.Ord.87	497	—	11.9	2.4	11.7	15.8
32	23	Frederick Parker	23	—	—	—	—	—
83	33	George Blair	80	—	—	—	3.3	5.9
50	20	Ind. Precision Cast'ngs	25	—	2.7	10.8	6.8	7.4
218	177	Isis Group....................	186xd	—	15.0	8.1	14.3	21.4
124	101	Jackson Group............	105	—	5.5	5.2	7.0	7.0
285	213	James Burrough	230	—	15.0	6.5	7.3	7.3
94	83	James Burrough 9pc Pf.	93	—	12.9	13.9	—	—
95	71	John Howard and Co.	86	—	5.0	5.8	6.5	10.3
225	100	Linguaphone Ord.	182	—	—	—	6.7	7.0
100	90	Linguaphone 10.5pc Pf.	90	—	15.0	16.7	—	—
650	300	Minihouse Holding NV	570	—	6.9	1.2	24.9	23.7
120	31	Robert Jenkins............	83	−1	—	—	10.8	23.7
60	28	Scruttons "A"	31	—	—	—	—	7.9
92	61	Torday and Carlisle......	71	−1	5.0	7.0	3.6	6.5
444	325	Trevian Holdings..........	325	—	4.3	1.3	18.6	18.2
34	17	Unilock Holdings.........	32xd	—	2.1	6.6	8.7	8.5
113	81	Walter Alexander.........	110xd	—	8.6	7.7	6.2	7.6
247	195	W. S. Yeates................	198	−2	17.4	8.8	5.6	9.7

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THE LEISURE INDUSTRY

Swings and roundabouts of theme parks

By Richard Evans

THE STOMACH-CHURNING "*white knuckle*" rides of Britain's new generation of theme parks are beginning to appear quite tame compared with the hazards facing entrepreneurs trying to set them up.

The parks, based loosely on the hugely successful Disney operations in the United States, were seen as an effective way of catering not only for more leisure time but for more creatively used leisure.

It has not proved easy, however. The latest contender, Britannia Park which opened its gates less than three months ago, has had to call in the receivers, and WonderWorld, the most ambitious project of all, remains obstinately on the drawing board.

This leaves Alton Towers in Staffordshire and Thorpe Park to the south-west of London as the only two parks of substance operating effectively—a far cry from the optimistic forecasts of only a few years ago.

What has gone wrong? The answer lies in a combination of factors. Industry and the City have been wary of providing considerable capital for an unproven concept that might fail to capture the public imagination; and the planning difficulties have been horrendous.

Britannia Park, built on a restored opencast coal site in Derbyshire, has certainly had its planning problems. According to Peter Kellard, managing director of Britannia Park and of KLF (UK), its Bournemouth-based parent company, Derbyshire County Council, joint partners in the venture, have been obstructive since a change of power from Conservatives to Labour in the May, 1981 elections. For this and other reasons the park opened nearly three years late.

KLF, a privately-owned construction company, put up £5m and a further £4.5m came from the City, including £3.7m from Samuel Montagu the merchant bank. But total equity backing of £18m for the first phase was hard to find because of the planning difficulties.

Like others in the business, Mr Kellard is convinced that theme parks are moving away from thrill rides to a more educational format, and the 350 acre project has as its main theme British genius from Roman times to the wealth of inventions in the post-war years.

There are also craft sections involving pottery, brass-rubbing and a forge, a pub run by Bass Charrington on a village green by a 32-acre lake, catering arrangements by Berkeley Taylor Plan, and other licensing deals with shops.

Investment was planned eventually to rise to over £50m, with a hotel, golf course, riding stables and time-share log cabins. It got off to a disastrous launch in late June, however, after bad weather had delayed construction and the amenities were incomplete. "It was like paying £3 to walk round a building site," said one observer.

With hindsight, the consequences appear inevitable. Cork Gully, the receivers, are keeping the park open with staffing reduced from 160 to 60 and a reduced charge of £2 in the hope of selling it as a going concern. "It is still the best leisure project in the country and one day it will be market leader," says an undaunted Mr Kellard.

Even more ambitious potentially is WonderWorld, to be built on 1,000 acres east of Corby, the former steel town.

The site is an indication that theme parks can be built almost anywhere — like Disney World at Orlando in Florida—provided people can get there easily.

Corby is between the M1 and A1 and easily reached from the Midlands, Yorkshire, Lancashire and London.

Since everything at WonderWorld is still at the marketing stage it is difficult to disentangle fact from hard sell. Financial details in particular are hard to discover but should become clearer next month when banks and financial institutions are due to disclose their backing. The project has been on the drawing board for 13 years and will involve costs of £143m for the first phase prior to opening and an eventual total of £400m.

The scale of the development problems can be gauged from the slippage. Construction was originally due to start early in 1983 and the first phase was to open this summer. But at present there is simply a large placard on the site and some local businessmen are becoming increasingly cynical.

WonderWorld's developers, Group Five Holdings, insist that finance is now organised. They give a construction period of three years and a revised opening date of spring, 1989.

Some Government and EEC grants have been provided because of the creation of new jobs in an employment blackspot.

WonderWorld is to be very much a theme park using the latest ideas and technology and aims to attract industrial and commercial sponsors, exhibitors and participants. Initially there will be 13 themes including energy, communication, stage and sport.

Advocates of the new style theme parks, which aim to educate as well as entertain the family, are slightly scornful of Alton Towers and Thorpe Park, but at least they have got their acts together and are making healthy profits.

Alton Towers, which calls itself "Britain's only world-rated leisure park" is set in an 850-acre landscaped estate in Staffordshire and although it has theme attractions, it relies heavily—and successfully—on thrill rides.

Although opened as a stately home towards the end of the First World War, the development really took off in 1980 when Mr John Broome, chairman and chief executive, invested shrewdly in rides like "the world's largest log flume" and a huge corkscrew roller-coaster.

This brought in cash to finance more rides and for the first time a British theme park was seen to be a paying proposition. The process continues, with £2m earmarked this winter for a new water ride. There are over 70 rides and attractions spread throughout the grounds and for the last two seasons attendances have topped 2m.

Thorpe Park, now in its seventh season, was created when RMC, the cement group, decided to diversify into leisure. Over £15m has been invested in developing 500 acres of former gravel pits and a large lake.

Plans for the conversion of London's Battersea power station to a theme attraction at a cost of at least £45m have been submitted by John Broome of Alton Towers. It will mean going to the City for a proportion of the cash and the current atmosphere of uncertainty cannot help.

The American example: a "Cockney knees-up" at Walt Disney World, Florida

Glyn Genin

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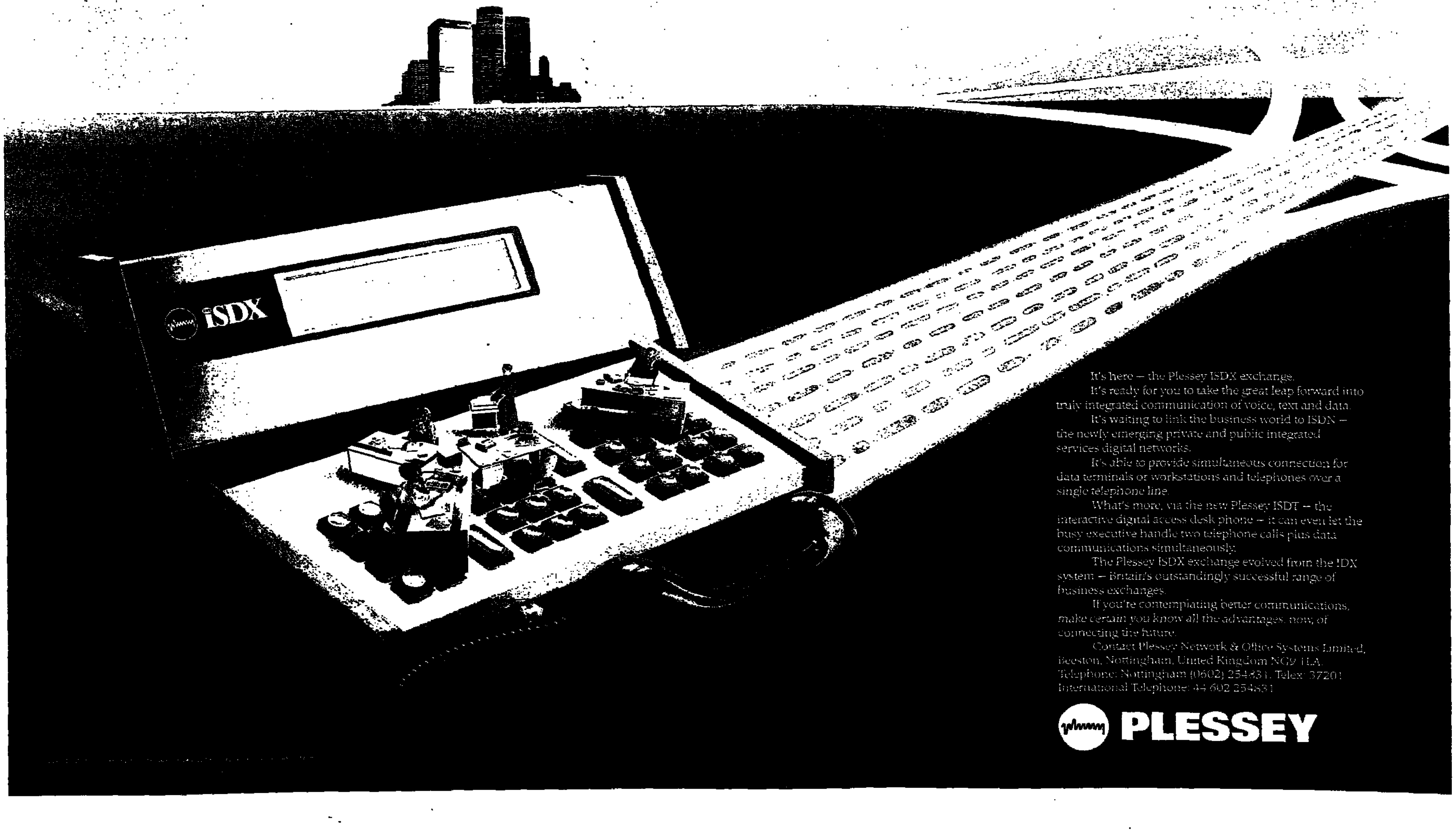


Arthur Moore, general manager of James Cook shipyard, and the 175 ft barque being built

Accidental benefits of environment and accessibility have shaped the economy of this historic town

COLCHESTER

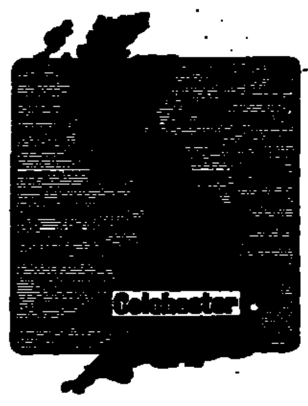
Rewards for coincidence

GEOGRAPHIC accident is one explanation for Colchester's growing regional importance. It lies fortuitously central to the ports of Felixstowe and Harwich and to Stansted airport.

Such coincidence led to the Romans coming ashore nearby and making it their first trading centre in these islands. Under the name of Camulodunum a settlement developed which ranked first amongst the towns of south-east Britain, producing bronzes, silver ornaments and fine pottery.

There are those in Colchester pleased that it did not retain its pre-eminence once Londinium (Roman London) became the main political and economic centre in south-east Britain. Colchester never had the natural resources to entice industrialists of any period. By the same token, it has been spared many of the ravages of 20th centry recession.

Colchester's environmental qualities are now being used as one of the enticements to clean, mainly high-technology and service industries. And, whereas industrial development



Regional report written by
ALASTAIR GUILD

land in Slough can cost as much as £1m an acre, in Colchester it is more likely to be £110,000 an acre—with infrastructure and services provided.

The completion of the M25 around London will link the town into the national road network. It already has good rail connections and two airports is within easy reach of Stansted and Norwich, a main seaport and large container terminal within easy reach.

Proximity to Harwich, and through the port to Holland, was one of the main reasons for Dutch subsidiary companies Philips Business Systems and DAF Trucks moving to Colchester. DAF has invested £3.2m in new workshops to modify the chasis it imports through Harwich. Inspection of its bus chassis is also done at Colchester.

DAF recently subcontracted MAT Trans Auto to move by rail Speedlink the majority of chassis for its dealers in Scotland and Northern Ireland.

The effect of Stanstead's development on regional employment patterns begs other questions, Mr Arthur Wilman, CBI representative says.

"There is a problem attracting skilled people into the area from other parts of the country," says Mr Wilman. "As Stanstead develops that will increase. People coming from the north-east or north-west may not be able to afford houses here."

Links between education and industry in the region will be vital, he says, if companies are not going to end up poaching skilled labour from each other.

Commercially, Colchester is well located for manufacture of electronic components, with the largest users in Britain of units such as microprocessors all within a 50-mile radius. Links have already been established by companies such as British Telecom and Philips Business Systems with Essex University, which has large research development departments dealing with semi-conductors and electronics.

And Colchester's Institute of Higher Education, providing day and evening courses covering industrial and commercial subjects, is where Paxman Diesels, sends its apprentices.

There remains concern that the number of people in the 18-30 age group is increasing as a proportion of Colchester's total population while the number of young unemployed is also growing.

"Colchester's population is growing, so are the job opportunities," Ms Statham says.

"The problem is they are not keeping in step." The town's unemployment rate is just over 12 per cent.

"We escaped the main effects of the recession because we have never relied on big employers. The service sector has usually grown sufficiently to keep down the numbers out of work."

Another catch like Royal London Mutual Insurance would be welcomed, though whether there are sites to accommodate many more remains open to question.

Colchester is also being developed as a regional shopping centre, in line with the Essex county structure plan. This predicts a continued decline in the proportion of the local workforce in primary and manufacturing sectors and an increase in the proportion in construction and services.

The town centre has 492 shops covering 932,732 sq ft, of sales space, but this will be extended by the 250,000 sq ft Culver Precinct being developed by the Carroll Group/Balfour Beatty backed by Scottish Amicable. The centre, due to open by Christmas 1987, includes Debenhams and C & A.

Essex University promotes close links with local business, says Albert Sloman, vice-chancellor (above). John Cobley, council chief executive, below (right) and borough planner Tom Souter. *Hugh Routledge*

Constraint to preserve character

CONTAINED GROWTH is the aim of Colchester council, according to Mr John Cobley, chief executive.

"The council is prepared to look sympathetically at any large relocation of offices into the town, provided it is sure the infrastructure can cope," he says. "A significant part of infrastructure costs have to be borne by the profitable elements of sites.

"The overriding constraint on Colchester's rate of development is that the town does not lose its character.

"The council will also look at any industry within reason. We try to be adaptable and flexible, even towards the more difficult industries."

Mr Cobley, who previously worked for Sheffield and Lancaster councils, admits that by those areas' standards Colchester has not got large areas of dereliction.

"But it does have areas of development opportunity which we would like to see used. We do not put packages together to tempt companies to come to Colchester; that has never been necessary. They find the area attractive anyway and incentives just stave off the day when reality dawns.

"There are three main thrusts to the development of Colchester:

● "The use of expertise in electronics, particularly at Essex University, with the aim of attracting high technology industries. All the latest companies to move here are geared to high technology. Behind that is the heavy industrial base of companies like Paxman Diesels, but even they are becoming more involved in electronics.

● "Tourism is an area of considerable opportunity. There needs to be a selective approach, geared to stressing the town's heritage, attracting, for example, people in Colchester on business during the week to come back at other times with their families.

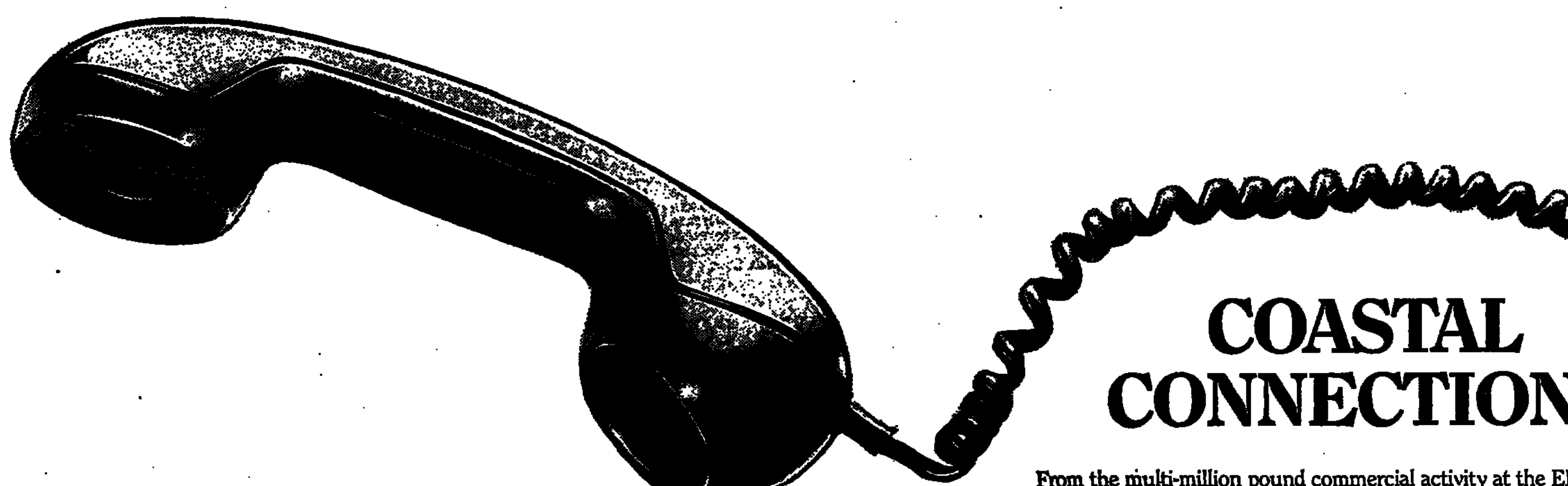
"We are anxious to preserve the character of the town without spoiling it with tourism gimmicks. The council is about to appoint a tourism development officer for the first time to produce a tourism strategy, to review the council's activities in advertising and promotion and to co-ordinate the effort put into tourism locally.

"There is also a need for more hotel space and the council is already dealing with enquiries from hotel chains.

● "We need to modify traditional industries wherever possible to make them more competitive.

"The town is becoming attractive to London commuters. But the numbers travelling into Colchester far outweighs those travelling from the area to work in London.

"Our proximity to London enables us to draw on vast amounts of skilled labour, though one of Colchester's problems has been that the drain sometimes works in reverse," Mr Cobley says.



COASTAL CONNECTIONS

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WOODS AIR MOVEMENT

Magnetism of proximity brings in businesses

PROXIMITY to London has made the move to Colchester a less daunting proposition for large service and high-technology industries. Connections by rail are frequent and reliable and the completion of the M25 round London will improve road access. Sophisticated data links shrink distances further.

Parts of what is now Philips Business Systems have been moving to the town since 1975. At that time PBS involved a number of operations in Swindon, Maidenhead and Cambridge under a loose management umbrella. Philips Data Systems, the first to relocate, employed 200 and had a turnover of £5m.

"When PBS was formed it was a toss-up whether we moved the entire group here or to the silicon corridor," says Dr Richard Horsnell, the company's managing director. "In the light of our experience here since 1975 and with the germs of a relationship with Essex University established, we decided on Colchester. The employees who had moved here initially provided confirmation of our earlier decision."

The company is largely importing parts for assembly and executives need to travel regularly to the parent company's offices in Holland. That provided an added incentive to locate in Colchester because of proximity to the ports of Harwich and Felixstowe and to Norwich and Stanstead airports.

The turnover of PBS is £70m with a workforce of 1,000, making it one of the largest employers in the town. Its headquarters at Roman House contains a central workshop, a training centre for Philips' and its dealers' engineers, a product specialist group and a materials management department including a central parts store.

This is complemented by a nationwide network of 16 service centres, six of which have workshops and parts stores. Each branch office has Integrated Service Information System terminals, linked to the central P4000 computer in Colchester.

When an area office receives a call, it is logged on to the terminal and the fault enters the ISIS system. The date and time of the call are recorded with details of the fault. Identification numbers of engineers in the area are displayed and one is allocated to service the call.

At Wivenhoe Park, an 18th-century building within the university grounds, Philips has established a training centre for its own staff and customers, whether end-users or dealers.

"The university also has the largest computer and telecommunications faculty in the UK," Dr Horsnell says.

Royal London Mutual Insurance moved to Colchester from London in stages. Its first move in 1972 involved the computer department alone.

According to Mr Michael Pickard, chief general manager: "We wanted to decentralise that operation to facilitate shift-work. In London, shift-staff would often have to travel long distances at odd times. We also wanted a town with a fast train service to London's Liverpool Street."

New business, claims and staff departments followed. By the end of 1981 all departments had transferred with the exception of stock exchange investment, which remained at its Finsbury Square offices. This is linked with Colchester by facsimile transmission, but a direct link with the Colchester mainframe computer is being set up.

Departments were on different sites in the town, but in the autumn of 1982 all Colchester-based staff moved to a [illegible] sq ft purpose-built head office.

Two-thirds of the 719 staff have been recruited locally. "The turnover of staff has been low and we've attracted school-leavers, married women and the qualified specialists," Mr Pickard says.

Apart from life assurance business, the Colchester office administers £250m of property investment. It has developed its own property package for a stand-alone system with the help of a local software house. Its local property agents are linked through normal telephone lines.

Royal London intends to re-establish a physical presence in the City's insurance markets. It plans to set up its own London underwriting room early next year. Royal London General, a division of Royal London Mutual, will act as underwriters.

"The London market is a specialist one requiring specialist skills and easy contact with brokers," Mr Pickard says. "The room will be accountable to head office for its results, accounts and administration, with a data link between the underwriters and Colchester."

Trevor Dodwell, of solicitors Ellison & Co, which is growing in line with the region's expansion as a business area

Legal links set up with heart of EEC

FOR CENTURIES London has been a leading commercial centre and since Roman times, the world has utilised its laws and adopted its practices. It is perhaps only right and proper that lawyers in Colchester, where the Romans originally settled in Britain should now benefit from growing commercial links with mainland Europe.

Ellison & Co, which for 15 years served its business clients from offices in Colchester and Harwich, last year opened a Brussels office.

The practice, founded in Colchester in the 18th century, serves business clients ranging from public companies to sole traders just starting in business.

According to Mr Trevor Dodwell, one of the firm's senior partners, "The growth of the practice has reflected, and at times anticipated, East Anglia's strategic position as a major business growth area close to London; the increasing importance of Harwich and Felixstowe as trading gateways to mainland Europe; and the impact of EEC legislation on East Anglian activity like farming, North Sea fishing and oil industries and environmental protection."

Ellisons have advised a Belgian company on how to set up a franchise agreement to fit in with English law. It has also worked for a company depositing waste materials at sea, on the implications of likely changes in EEC marine dumping law. Transfrontier shipment of waste is another piece of key European legislation.

One of its Harwich clients is a major ferry operator, and the practice is acting for several Belgian hauliers wanting advice on legislation that might impinge on their activities in the UK.

Ellisons sends a partner to the Brussels office once a week, where it shares facilities with another English practice, though the intention is to make the office self-supporting.

"One of the functions of the Brussels office is as a base for discussing legal questions with the European Commission. It also gives us an ear to the ground so that we can advise clients of emerging legislation. And we have assisted in detailed representations to the commission with clients and trade associations," Mr Dodwell says.

Ellisons has also extended and improved its long-established debt collection service for clients by investing in Debtco, a computerised debt recovery system. This has enabled the practice to increase the volume of debts recovered, reducing the average collection time and easing cash flow.

Conflicts of old and new

IT SEEMS inevitable in a town such as Colchester that the demands of development and conservaton should at some time conflict.

It has one of the richest heritages in the UK, with remains spanning the Iron Age, Roman times, the Anglo-Saxon period and into the Middle Ages. It also has outstanding architectural features from the Victorian and Edwardian eras.

But the town's centre has seen a number of large retail and commercial developments in recent times and pressure for land can only increase.

The town's planning process has sought to ensure that the two interests are reconciled. In the mid-1970s, the borough council agreed to a request from the local museum and archaeological trust that special conditions be included in any planning consent where important remains might be expected.

"Sometimes archaeological conditions get overlooked in the eventual agreement," recalls Mr David Clarke, curator of the local museum. So now planning consent is given only if the developer agrees to an investigation.

On some occasions, the developer has helped finance the excavation but on most occasions the museum and trust have relied on money from the Historic Buildings and Monuments Council and Colchester Borough Council. "We went as far as we reasonably could, then the developer chipped in with £10,000," says Mr Clarke.

"We do make it clear to any developer that extra cash would help speed up excavation and so reduce the delay to the development."

Mr Clarke is optimistic that Colchester will be declared an area of special archaeological interest. The developer would then have to notify "the investigating authority" —either the museum or the trust—of the proposed development.

"In general, however, developers have become much more sympathetic to Colchester's heritage."

Making headway in a tougher market

THE River Colne once had five small ship construction yards. Only two remain, James W. Cook & Co (Wivenhoe) and James W. Stone, at Brightlingsea.

Such yards are facing increasing competition, particularly from Scandinavia. And customers which a few years ago would have provided repeat business, now circulate wider inquiries for vessels. So margins are being continuously squeezed.

James Cook was established during the war to build mainly wooden-hulled patrol vessels. It can now handle vessels of up to 80m and is diversifying into steel fabrication and machine installation.

Mr Arthur Moore, the general manager, sees signs that the market is improving slightly. The company has several quotes out that appear to have been favourably received.

"With the de-nationalisation of British Shipbuilders, some yards are closing, reducing the small-ship building capacity, which should ease order availability still further," he says.

Mr Moore was employed at Goole Shipyard, North Humberside, for 28 years until last year when British Shipbuilders closed it.

Should waterways become more popular for freight transport barges would be within the yard's range. "We would also be happy to do more repair work on the increasing number of cargo carrying vessels using the River Colne," Mr Moore says.

"The ideal situation is where we have a number of ships to build. Then we can utilise a number of disciplines at one time. If we only have one ship to build then some people are idle.

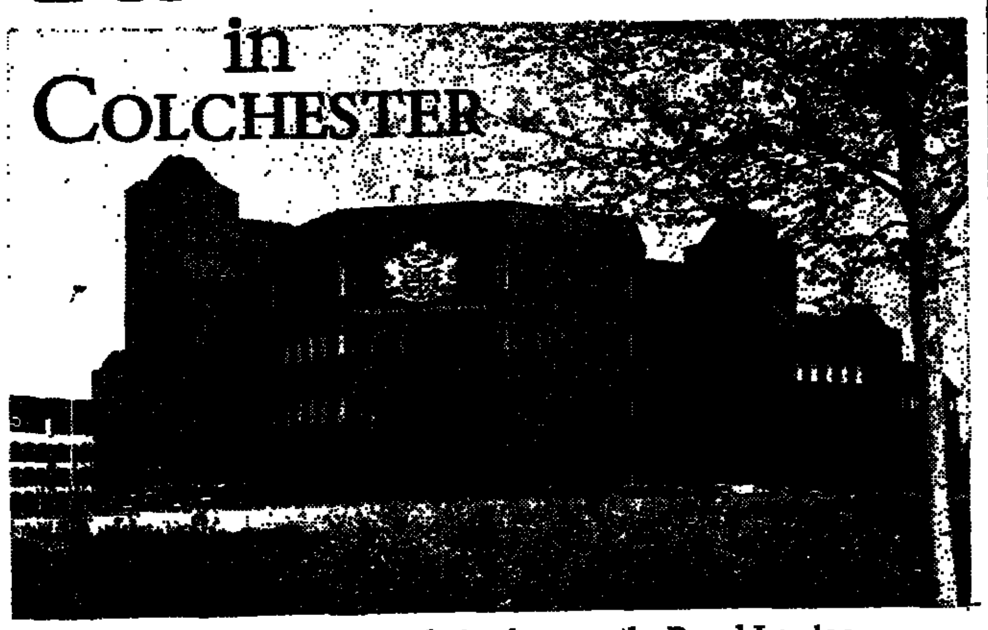
"We have had to reduce shopfloor staff from 120 in 1983 to 75 now, but then we are left with the problem of recruitment when the order book improves. There is a shortage of shipbuilding tradesmen in the area."

James Cook is building a 175 ft three-masted barque for the Jubilee Sailing Trust as a sail training vessel. The contract was worth £2m. Other vessels under construction include a dredger, two barges and a tug.

The yard employs a naval architect, a technical manager, technical buyers and a drawing office manager in addition to shopfloor staff. It has invested £20,000 in computer-aided design. It is contemplating automation in parts of its four main fabrication sheds, machine shop and joinery department, a further indication of the company's confidence in the future.

British Telecom managers (left to right) Brian Robinson (Colchester area), Colin Coleman (district general) and Brian Moore (marketing) at the Anglian district centre set up in an overhaul of organisation

ROYAL LONDON in COLCHESTER



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BT strengthens connections

ESSEX IS potentially fertile ground for British Telecom. The area already has one of the highest penetrations of exchange lines in the country, with 85 per cent of households having a telephone. The number is growing by 9 per cent each year as some customers take a second line.

BT also hopes to benefit from the development of towns like Colchester as commercial centres with their expected need for data communications links, value-added network services and cellular radio.

It will face stiff competition and has responded partly by overhauling its organisation. The old three-tier structure has been replaced by local decision-making districts below a national tier. Local managers are being given greater scope for decision-making.

Telephone areas centred on Norwich, Southend and Colchester were merged to form the Anglian coastal district. Based in Colchester with a staff of 2,000, it is the largest commercial employer in the town.

The offices at Southend and Colchester have been retitled customer service areas. The west of the county will continue to be served from Cambridge. Ipswich and East Suffolk have been split from Colchester to form a separate customer area.

The Anglian coastal district has an annual turnover of £260m and 860,000 customers. Its 168,000 business customers include the Joint Credit Card Company in Southend and Royal London Mutual Insurance in Colchester.

Last year BT won a £180,000 order from Colchester Borough Council for a Merlin DX electronic exchange giving the council 56 outside lines and 350 extensions.

"Sales of BT equipment are buoyant, in line with business growth in the region as a whole," says Mr Brian Moore, marketing manager for the new district. But the take-up by local companies of BT services other than voice transmission has been slower than hoped.

"New companies moving into Colchester, especially from London, understand the possibilities of data transmission," Mr Moore says. "The problem is to convince local businesses that we are into things other than voice transmission."

The computer centre for Anglian coastal district now based in Colchester should help generate data communications business, Mr Moore says, "as the business community sees what we can do."

Cellnet, the cellular radio network operated by BT in competition with Racal Vodafone, is one of the other areas targeted for growth by Mr Moore.

He sees great potential for its use among the district's 6,000 farmers.

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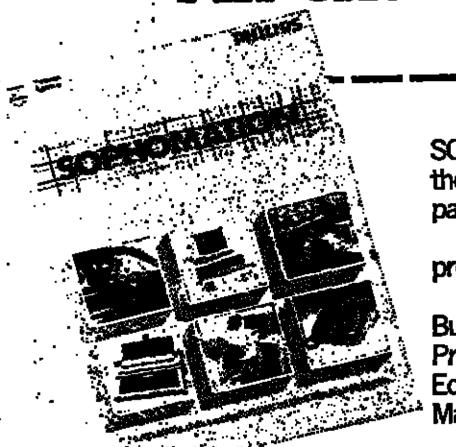

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Decline of giant creates new business diversity

OZALID, part of the OCE van der Grinten NV Dutch group of companies, once employed up to 1,000 people at its Colchester factory. But it steadily reduced the size of its operation so that by the early 1980s numbers had fallen to several hundred.

On the site has come the Cowdray Centre, providing accommodation suitable for new one-man businesses through to high technology space for multi-national companies. Ultimately it should provide employment for up to 1,500.

The site comprised approximately 340,000 sq ft of factory space and ancillary offices, and 11 acres of development land. Ozalid leased back 90,000 sq ft of the existing factory space from Friends' Provident Life Office, the owners, for a reduced operation.

Frincon Holdings, a private property company, purchased the remaining 250,000 sq ft at the eastern end of the site.

The factories were built between the 1930s and 1955, all interlinking and with areas varying between 20,000 and 60,000 sq ft. Eaves heights varied between 12 and 14 ft, with a roof construction of lattice trusses at 10 ft centres. This precluded high stacking required by most warehousing operations. The buildings were generally in poor repair.

The market for this type of accommodation was far from buoyant and the space would have been difficult to let, even at low rents. So it was refurbished.

Frincon Holdings decided there would be a market for units between 200 and 900 sq ft for new, or untested companies. It divided the oldest part of the factory, about 50,000 sq ft, into 76 small units.

These are let on a monthly licence fee including rent, rates, insurance and maintenance, taking from the occupier the worry of running the property and allowing him to concentrate on developing the business. Each unit is self-contained to give the occupiers an identity and security. Heating, lighting, water and drainage were installed by Frincon, as occupiers might lack capital to install these facilities for what could be a short occupancy.

About 50,000 sq ft of the remaining 200,000 sq ft was demolished to improve access and car parking. The rest was divided into units between 1,500 and 10,000 sq ft. These are available to tenants not generally attractive to the institutional investor and on leases as short as three years. Again heating and lighting have been installed.

The refurbishment took two years and cost £1.3m. Some licensees have already outgrown their small units and have moved on to bigger ones.

"With a diversity of trades within the centre, various companies are beginning to interact and trade between themselves and assist each other in business leads," says Mr Christopher Bird, development manager of Frincon Holdings.

A public house, The Cowdray Arms, has been provided and has proved a popular meeting place for tenants.

Business in the mini-units has varied from lawnmover repairs to clock and false teeth manufacturing. The local branch of Action for Research into Multiple Sclerosis has taken a unit for a decompression chamber costing £25,000. Some 100 local MS sufferers have already been treated.

The Cowdray centre's site manager helps occupiers with problems and ensures the smooth day-to-day management of the centre. Frincon also provides a free business advisory service for new businesses.

On the 11-acre development site, units have been built from 2,400 to 34,500 sq ft. "We felt we should provide buildings of traditional appearance that would nevertheless be capable of use by the new high technology industries," Mr Bird says.

Mr Chris Bird, Frincom development manager, at the Cowdray Centre for small businesses.

One of the major units is used by Philips Business Systems for computer repair and service and research and development for new telephone systems.

Another tenant, Dyna Pert Precima, part of the Embart Corporation of America, makes robotic placement machine semi-conductors for the electronics industry. It originally occupied one large unit and a further unit of 32,000 sq ft was built to provide much needed additional space.

Other units have been let to McCorquodales, Radio Rentals, and Lloyd's of London Press.

The new development which will comprise 190,000 sq ft of high-specification industrial/warehouse premises is costing almost £6.5m to develop and should provide employment for approximately 600 people.

Killer devastates an ancient feast

IT WAS the Roman historian Pliny who said that the only good thing about Britain was its oysters. The large mounds of empty oyster shells that still dot the countryside around Colchester are continuing reminders of that predilection.

Pyefleet Creek, running along the back of Mersea Island was, with its abundance of plankton, particularly suitable for fattening the two species of native oyster, *ostrea edulis* and *crass ostrea gigas*—that is until the introduction of *bonamia*, the parasite which has wreaked havoc in the last three years.

In the mid-1970s, Mr Christopher Kerrison, founder and managing director of Colchester Oyster Fishery, was contacted by a hatchery in California offering flat oyster seeds at one third of the normal price. West coast scientists had taken *ostrea edulis* from European waters and discovered that in California they were particularly prolific.

But *bonamia*, named after French scientist Dr Bonamie, also liked those waters and infected the oysters. After an incubation period of two to three months, it starts to feed on the oyster and within a year the host is dead. It works particularly fast where oysters are laid in high density.

Mr Kerrison sought the advice of the Ministry of Agriculture and Fisheries on the American offer. Scientists warned him of the presence of disease organisms in California, and though sorely tempted on price, he decided against it.

Then a Brittany fishery imported the Californian seeds, which predictably decimated the French beds. "After five years our beds were unaffected so we thought we had got away with it," Mr Kerrison says.

Unknown to him a merchant in Cornwall had exported oysters to Holland. By then Dutch beds were also infected. The Cornish oysters were returned being too small. They too were infected.

By then Mr Kerrison was breeding oysters in a nearby bed and, unaware of this chain of events, introduced seeds from Cornwall into the waters around Mersea Island. The effect was devastating.

Prior to the disease, Colchester Oyster Fishery was producing 140 tonnes of oysters each year in a combined operation with its fishery on Loch Ryan in south-west Scotland. In 1982, the company exported 55 per cent of its production to Germany, Belgium, France, Switzerland and Spain.

The company had hardly completed a new automated plant, offices and visitor centre at a cost of £350,000 when the parasite struck. The buildings, funded by the EEC, the Scottish operation and a bank loan, housed plant to cope with an anticipated increase in output to 500 tonnes.

Disease

"I am now left with an extremely large bank overdraft and an oyster fishery with no oysters," Mr Kerrison says.

Last year the company lost £50,000 and hasn't laid any new beds for three years. It is supported largely by the Scottish operation which also includes a nursery for seed oysters on the Isle of Lewis in the Outer Hebrides. Those waters should remain unaffected, barring any mischievous introduction of bonamia.

Crass ostrea gigas, the other native European species would offer some hope for Pyefleet Creek. It is more resistant to disease and reaches maturity faster.

"But we haven't been able to grow them here because their growth is stunted by the presence in these waters of large parts of TBT, a tin compound used in anti-fouling paints. In Loch Ryan, where there are no yachts, their growth is normal.

"Greed is one of the main reasons why oysters have disappeared. Overfishing has reduced the breeding stock, so fisheries have had to import from France and California, so introducing disease.

"Our continuing presence here is dependent on the success of diversification into other activities."

The company is now storing and distributing lobsters and crabs, for example. It also applied for planning permission to develop the visitor potential of the site with plans to set up a dining room to cater for 20,000 a year. The application was refused on the grounds that those visitors would overload the narrow country roads.

Mr Kerrison is threatening to withdraw next year when the 42-year lease comes up for renewal. The fishery has been connected with Colchester since 1189 when Richard the Lionheart granted the rights to the borough in return for the building of a castle. That right of ownership was confirmed by subsequent Queens and Kings and in 1870 was incorporated into an Act of Parliament.

Industrious seat of learning

THE BRICK tower blocks set in extensive grounds on Colchester's outskirts are far from being the solereminders of Essex University's presence in town.

The university has always sought close links with local industry. British Telecom, for example, with its national research centre at nearby Martlesham, established a chair in telecommunications and has supported projects in departments ranging from electronics to linguistics. BT staff lecture and sit on university committees and university staff spend time as consultants at Martlesham.

Philips Business Systems chose to bas eitself in Colchester partly because of the university's reputation in communications. PBS uses the university's Wivenhoe Park conference centre for training.

Links with small to medium-sized companies have also been close. "But there are still many local companies unaware of what we can provide," says Mr Albert Sloman, Essex's vice chancellor. So three of the university's 15 departments—electronics, physics and chemistry—have established industrial units.

The Electronic Centre, for example, offers a complete eervice from feasibility study through design of hardware and software to volume production of electric assemblies. On show in the centre at the university's recent exhibition was the testbed from which a series of electronic grading machines have been developed for a local company, Lockwood Graders.

The principal use of the high-speed image processing technique is in auto-selector machines which grade potatoes for the crisp and chip-making industries. A substantial number of these machines have been exported.

"Staff visit local companies and advise them on the expertise we can offer," Mr Sloman said. "The university has open open days for local businesses and we have appointed an industrial liaison officer to identify the areas where we can help. Essex county council has also commissioned a study into the possibility of setting up a science park.

"This is the only university in Essex, Suffolk or Hertfordshire and yet this is one of the most rapidly expanding areas in the country. It makes sense to be looking at the needs of the region in our development plans. Weowe it to the region which backed the idea of a university."

The university has increased its committment to computer science and electronics since general funding cuts in 1981. Faced with an overall reduction in its budget of 10 per cent, it reduced the number of arts and social science students by 15 per cent and increased those studying science by 20 per cent.

Essex was one institution chosen by the Government to take additional students in computing science and electronic systems engineering. The University Grants Committee will pay for the extra staff, equipment and technicians for 27 places allocated to Essex. Mr Sloman hopes that industry will respond by meeting students' fees and living expenses.

"The university's primary role will continue to be in fundamental, strategic and applied research," he says. "Though we have discussed setting up our own companies to develop ideas into marketable products, we think that is best done by industry. But we are committed to the closest collaboration."

Banking on speed

It is 2½ years since the Co-operative Bank opened a branch in Colchester, in a building that started out as the Corn Exchange and later became a theatre.

The number of customers has risen by more than 100 each month, and the bank now has 11,000 accounts, more than 8,000 of them personal ones.

"We generally attract the start-up business that needs financial advice and assistance," says Mr Andrew Moorhouse (above), the branch manager. "They have usually hit a brick wall with their existing bank. If we are able to nurture along small- to medium-sized businesses, we can keep more personal contact with clients and be there as the business grows.

"We believe we attract businesses because of the speed of decision-making and the flexibility we offer."

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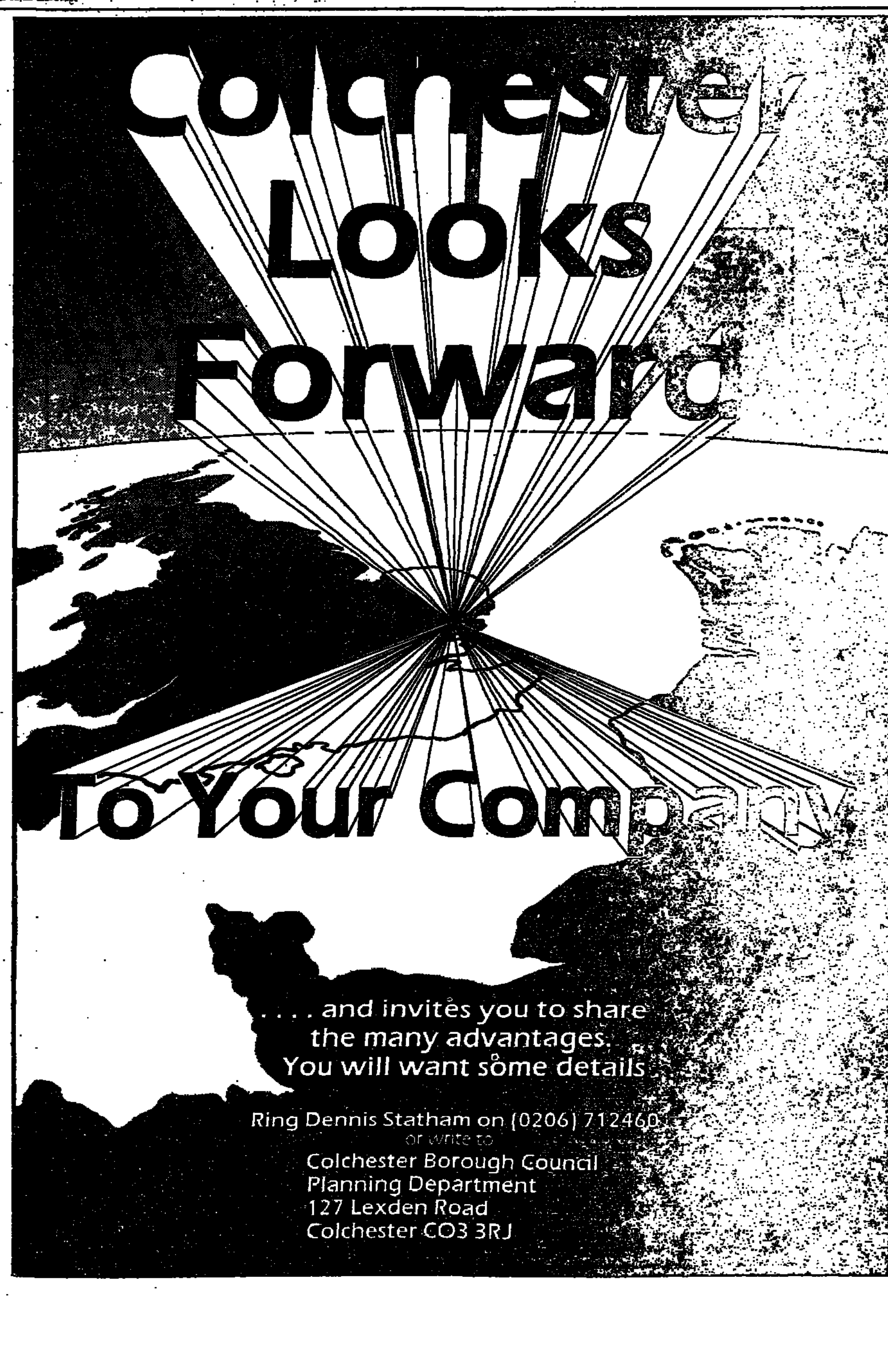
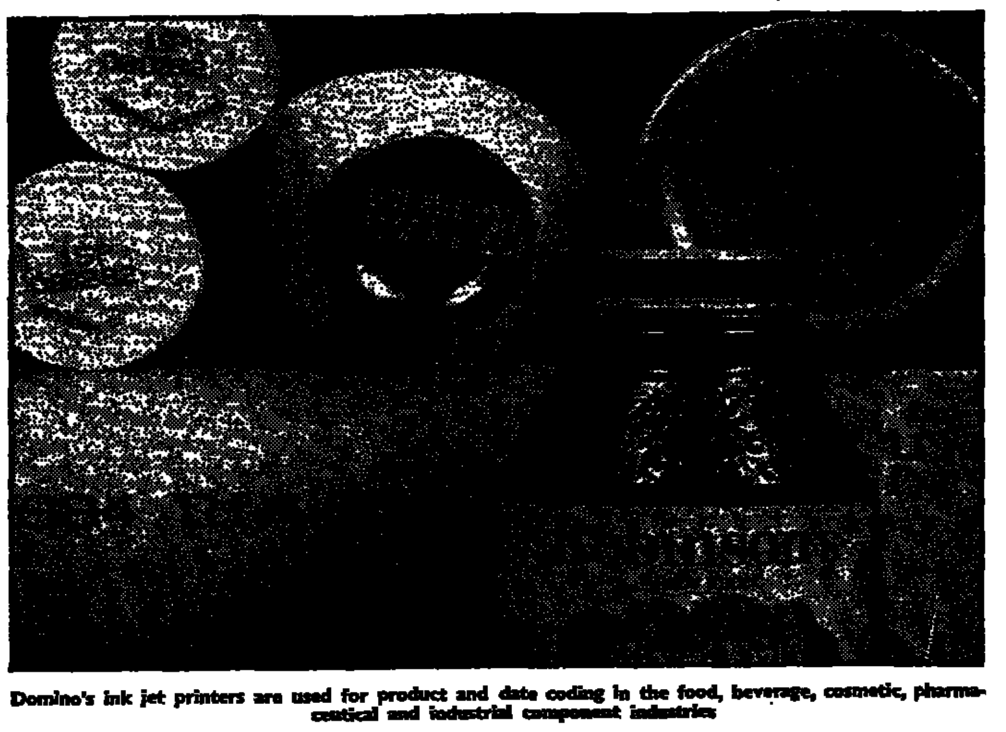


THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ



Domino's ink jet printers are used for product and date coding in the food, beverage, cosmetic, pharmaceutical and industrial component industries

From 'corner shop to supermarket'

Launching a series of progress reports, William Dawkins explains how Domino Printing Sciences has managed three years of growth

DOMINO Printing Sciences and its founder, Graeme Minto, have not exactly let the grass grow under their feet over the past two-and-a-half years.

Since this Cambridge-based maker of high technology ink jet printing equipment was first profiled on this page in January 1983, it has seen its annual sales mushroom from £1.1m to £7.4m, with taxable profits up from £121,000 to £1.8m. During that time, it has achieved a full listing, *made two acquisitions and* seen the workforce grow from 50 to 150.

Domino's leading outside investor, 3i—which in 1979 paid £7,500 as part of a £100,000 total package for a 25 per cent stake, which was valued at £6.5m on the company's flotation in April — has every reason to be delighted. In venture capital jargon, Domino is a "pearl".

It goes without saying that achieving growth on that scale has necessitated some testing decisions from 42-year-old Minto, a former Cambridge Consultants engineer who started Domino in his study at home in 1978. An important key to Domino's growth has been Minto's ability to recognise the need for management changes, while *at the same time* commanding the loyalty of everyone around him.

Since his last appearance on this page, Minto has asked two board members to leave and recruited five new ones. Two came from within the company and one is a non-executive. All the *six directors apart from* Minto have joined the board since the beginning of 1983. The same goes for 12 of the 22 senior managers.

None of the departures nor the constant shifting of responsibilities necessitated by Domino's quick expansion have created serious acrimony. Throughout the company there has always been a clear understanding that growth can only come in proportion to the management's abilities — however advanced Domino's products might be. If the directors cannot develop with the company, goes the Domino philosophy, then changes need to be made.

"We have grown from a corner shop to a supermarket. To do that, you have to change your staff as some all-rounder jobs disappear to be replaced by more specialised functions," says Minto. It is an obvious maxim, yet *many hundreds of small* companies have found—to their cost—that it is very hard to put into practice.

Minto could force through management changes with relative ease because of the power he derived from owning just over 60 per cent of the shares. His stake went down to 40 per cent after the flotation—which netted him and his wife £1.5m before expenses — but that still leaves Minto as the largest shareholder.

"Of course, if I get carried away, it could be dangerous. But if you have to make a change, then you know you can do it," he says. Minto's power has not stopped him from being fiercely critical about his own role in Domino's fortunes, or *from recognising the need to* hand over responsibilities which have grown outside his considerable skills.

He acted as combined chairman and managing director until late last year, when Minto asked Barrell, a close personal friend and at that time managing director at Travenol Laboratories, the U.S. health care company, to take over as managing director of Domino.

Exports had grown from 42 per cent to 77 per cent of the number of units sold over the previous 12 months. Minto, *whose background makes him* more of a scientist than a general manager, realised that it would make sense for him to concentrate on general strategy and development, leaving Barrell to take charge of marketing and *run the group's* day-to-day affairs.

Graeme Minto: management changes

"We needed international management calibre, and I just *didn't know how to provide it,*" recalls Minto with disarming modesty. Delegating decisions has sometimes meant, Minto admits, that he has had to "bite my tongue" to avoid *interfering with subordinates.* But he stresses: "You cannot grow if you insist on taking all the key decisions yourself."

A *further factor* was that the impending flotation meant Minto needed to leave the company in good hands while he spent three days a week for several months in meetings with Domino's City advisers. "The flotation really exposed our strengths and weaknesses. It was like a form of management school," he says.

Minto's new role also reflected a subtle but important change in the character of the company from being primarily a technology-driven concern to more of a market-led venture. Back in 1983, Domino was spending 20 per cent of its turnover on research and development as it invested heavily in new products using new technology. Last year, that proportion had fallen to 10 per cent.

The pace of new product developments has not slowed—four new machines were unveiled last week—but Domino has switched focus from exploring new technologies to finding new uses for its existing ideas.

The change in emphasis began with the promotion in mid-1983 of Chris Rice from production manager to operations director of a merged production and development department. Research was firmly hived away from development to reflect the importance which Domino attached to concentrating more on commercial exploration of its ideas.

The next step was to bring Domino closer to its customers by acquiring early this year the full ownership of Domino Amjet, formerly a joint distribution venture with American Technologies, a U.S. industrial automation and ink jet printing group. Like many growing companies, Domino started by arranging sales through distribution companies but felt the need as it grew to exercise more direct control over its sales teams.

More recently, Domino offered a total of £305,000 for the rights to a large character printer made by Cyklop International Emil Hoffman KG of West Germany in an attempt to make wider use of the customers it had attracted with *its own products.*

Both the Domino and the Cyklop machines print on fragile or irregular surfaces by projecting microscopic ink droplets in a controlled pattern. Domino's range prints codes and other messages on to small objects like food packages, beer cans or electrical components. Food packaging is its biggest market, opened up two years ago by EEC legislation requiring food manufacturers to date and batch code goods with shelf lives of less than 18 months.

The printer developed from Cyklop's technology, which has just been released as the Domino Macrojet at a major packaging exhibition, prints large character messages on to the surface of the bulk packages in which Domino's existing customers ship goods to retailers. The establishment in June of an ink making division was another neat way to add a new service to an old customer base.

That is not to say, however, that Domino is any less conscious of the importance of finding new generations of products for its fast-moving and competitive market. Indeed, one of the reasons why Minto relinquished his post as managing director was to allow himself more time as chairman to think about the *future.* As he puts it: "Our greatest success yesterday could be our greatest weakness tomorrow."

Venture capital

What's what in Europe

THE RESTRICTED size of national markets in Europe means that small businesses seeking high growth rates need to build up exports at an earlier stage in development than their U.S. counterparts.

This process can be made easier if small businesses attract financial backing from overseas venture capital investors with good *contacts in local markets.* But until last week, information on individual sources of venture capital across Europe was hard to come by.

Venture Economics, the U.S.-owned research consultancy has done much to plug that gap with the publication of its Guide to European Venture Capital Sources, a detailed compendium of the investment preferences and types of financing provided by 256 venture capital organisa*tions in 18* countries, including Britain. The listings also include the criteria which various venture capital investors use for realising their profits, plus profiles of the groups themselves, with sources of outside capital, managers and contacts.

The book's arrival coincides with a growing recognition throughout Europe that venture capital is no longer a uniquely American discipline. It highlights the extent to which the industry is developing its own special characteristics in each country.

The guide *is introduced* by 16 articles from leading European venture capitalists discussing different approaches to investment and the European venture capital environment. A common theme in their reflections is the desirability of using overseas investment partners to help small businesses break into foreign markets.

Peter Brooke, chairman of Advent Management, the British firm with affiliations in Continental Europe, the U.S. and Japan, points out: "If one can find a way to identify emerging tech*nologies* on a worldwide basis, to invest in those technologies and to transfer those technologies for exploitation in other markets, then the benefits can be immense."

At $125 (£94) per copy, the guide does not come cheap, though that would compare favourably with the cost of hiring a consultant to dig out the same information. Copies are available from Susan Lloyd or Ruth Treneman, Venture *Economics,* 37 Thames Road, London W4 5PF. Telephone 01-995 7619.

W. D.

In brief . . .

MANCHESTER Enterprise Club, a small business self-help group, is to *hold* 10 *seminars running* weekly from October 1 to provide advice on various aspects of small business development.

Subjects include marketing, raising finance, cash management, costing and office information systems. The programme, which takes place at the Britannia Ridgeway Hotel in Didsbury, is sponsored by the Manpower Services Commission, though delegates will be charged £50 for refreshments over the 10-week series.

Details from Richard Nash, Manchester Enterprise Club, 107 Market Street, Hyde, Cheshire SK14 1ES. Telephone 061-368 6085.

●

NATIONAL Westminster Bank yesterday relaunched its six-year-old capital loan scheme with a higher borrow*ing ceiling* and easier security terms.

The bank is now making available capital loans for sums between £25,000 and £200,000. No security will be required in most cases, and the loans will rank behind the claims of ordinary creditors. *Under the initial scheme,* the borrowing limit was £100,000 and full guarantees were required from the directors and shareholders.

In exchange *for* making unsecured lending, the bank will take options to purchase minority stakes, usually less than 25 per cent of the borrowers' equity. Interest will be charged at a fixed rate — currently 15 per cent annually — and repayments will be made for periods up to ten years. Capital and interest payment holidays will be permitted where appropriate.

Applications, supported by business plans, can be sent to any NatWest branch.

●

UP TO 30 small businesses will be chosen to make pre*sentations to potential* backers at the FT/British Venture Capital Association Venture Capital Financial Forum to be held from December 2-3.

Companies looking for venture capital or considering a stock market *flotation* will make short presentations to delegates from fund management groups and other financial institutions in the mornings, followed by more detailed half-hour sessions with interested delegates in the afternoons. The forum will be held at the Inter-Continental Hotel, Hamilton Place, London, W1.

Ventures wishing to make presentations — for which the charge is £287.50 including VAT — should contact the BVCA at 1 Surrey Street, London WC2R 2PS by the end of October. Potential investors and other delegates should contact the FT Conference Organisation, Minster House, Arthur Street, London, EC4R 9AX. Delegates' fees are £402.50 including VAT.

●

PUBLIC Money *for* Business Projects, published by Kidsons, chartered accountants, summarises the main forms of financial assistance available from official sources in the UK.

The booklet *gives* details of regional development grants, business and technical advisory services, enterprise zones and support for innovation, among other *forms* of government assistance. Copies are available free from Kidsons at Bank House, 8 Cherry Street, *Birmingham, B2 5AD.*

●

THE Development Commission, the publicly backed rural development agency, is offering a total of £10,000 to provide free achitectural advice for community projects in rural areas.

The grant will be administered through the Royal Institute of British Architects' Community Projects Fund which provides finance for community organisations which are unable to afford architects' advice on the feasibility of proposed building and environmental schemes.

Successful applicants will get a grant *for half* the cost of a professional *feasibility* study up to a limit of £750. Details from Lynne Hutton, Community Projects Fund, RIBA, 66 Portland Place, London W1N 4AD. Telephone 01-580 5533.

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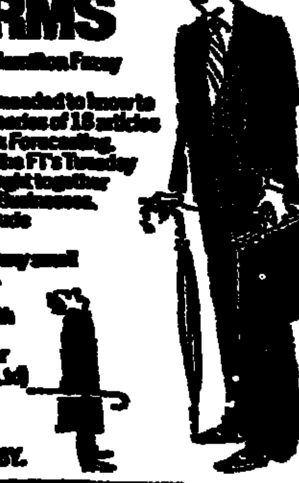

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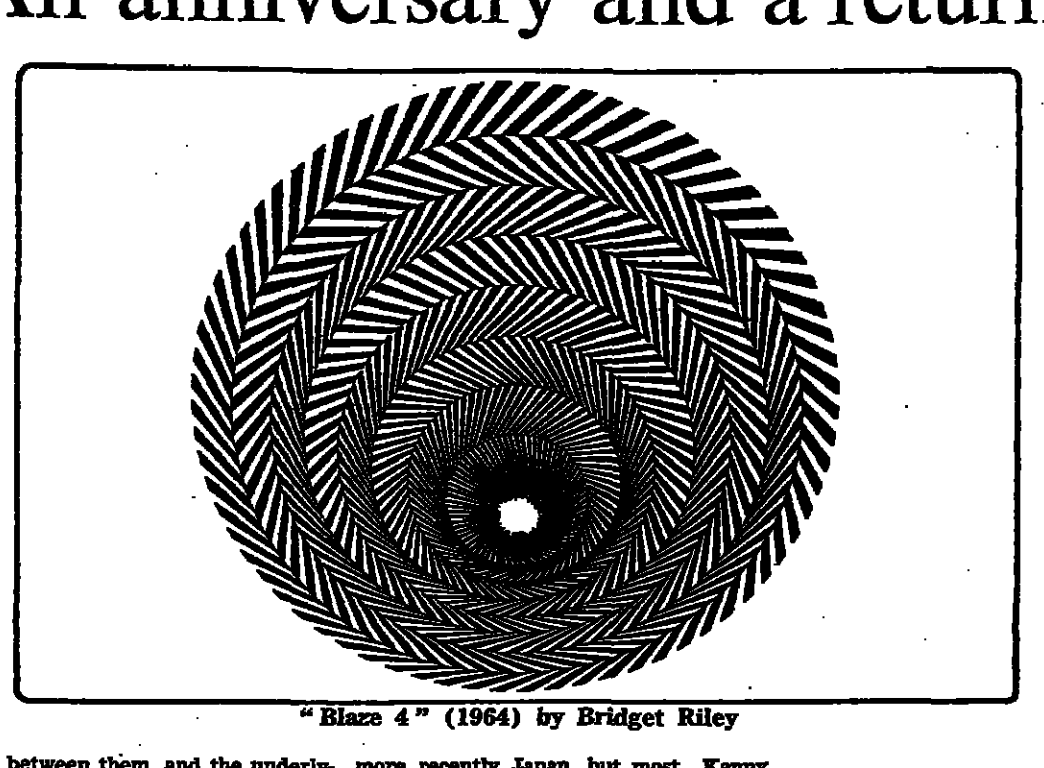
THE ARTS

Galleries/William Packer

An anniversary and a return



"Blaze 4" (1964) by Bridget Riley

Annely Juda and Alex Gregory-Hood must be among the most persistent, effective and remarkable champions of contemporary British art. This year they celebrate 25 years of conspicuous activity upon London's commercial art world, and though their careers for long followed markedly different courses, the successful amalgamation of their galleries three years ago makes it right that they should celebrate together.

The Juda Rowan Gallery, with Annely Juda Fine Art (which concerns itself with international modern masters), occupies all three floors of the warehouse in Tottenham Mews, off Tottenham Street, W1, to which Mrs Juda moved her gallery in 1968. For the autumn season (until December 20) it is given over to a rolling, retrospective account of the activities and preoccupations of two decades and a half.

Masterpieces of the Avant-garde, on the top floor, is a small display of works by those great names of international modernism in which Annely has always dealt. As such it represents not only the broader scope of her continuing activity in her Annely Juda Fine Art persona, but also her work in the particular field in which she has made herself a world authority. Her scholarship as a specialist in constructivism and the Russian avant-garde has found its immediate and visible expression in the sequence of exhibitions begun in 1970 under the title of *The Non-Objective World*.

Hanging together, therefore, are works not only by Giacometti, Moore, Picasso, Klee, Leger Laurens and Balthus, but by such heroes as Mondrian, Malevich, Schwitters, Vantongerloo, Arp, Tatlin and Moholy-Nagy. The tiny early Mondrian of 1903, a view along a row of orchard trees in which so much of the later work is so unselfconsciously foreshadowed, is worth the visit and the stiff climb up the stairs by itself.

On the first and ground floors it is the joint persona of Juda Rowan that declares itself, not by making common cause in an obvious way, but rather by showing the work with which each partner was engaged in a given period, and allowing us quietly to draw out for ourselves the points of interest and difference between them, and the underlying professional sympathy that brought them at last together. This demonstration, too, is to last almost until Christmas, but in three stages, with the hang devoted to the painting and sculpture of the 1960s and 1970s and 1980s, turn by turn.

Thus we begin with the 1960s (until October 19), which happened to be the most uncertain, disrupted and perhaps exciting years in the story of the Rowan and Juda galleries. 1960 saw Annely newly set up in her first gallery, the Molton Gallery in South Molton Street, and Alex just out of the Brigade and still casting about for his first opportunity as a private dealer. By 1970, both were firmly established in their enterprises, Annely, after a somewhat bumpy ride by way of her Hamilton Galleries off Hanover Square, at last secure in Tottenham Mews and Alex with his Rowan Gallery, which he and Diana Kingsmill had opened in Lowndes Street in 1962, in Bruton Place in the most perfect small modern gallery space in London. He was to continue there until 1982.

Whereas Annely has always maintained a direct interest in current work in America and more recently Japan, but most especially in Europe, Alex has committed himself to British art and to the particular interests of his artists. Some of their work has been figurative—that of the Anthonys Green and Donaldson for example—but his overriding commitment has been to abstraction and most of all to the large-scale neo-constructivism—as it now seems—of the 1960s. The taste in general terms, however, is one they share, and seeing this early work mixed and sitting so well together now, the ease of the eventual merger is no surprise.

But the chief character they have in common, more general still, is their deep loyalty to their artists. Some have moved on to flourish elsewhere, and there is no dishonour necessarily in that; others withdrawn from view after an early chance; one or two dead too soon; but again and again, even within the narrow compass of this first anthology, the names appear that still appear so regularly in the schedule: Bridget Riley, Paul Huxley, Alan Green, John Edwards, Mark Lancaster, Michael Michaeledes, Donaldson and Green, and the sculptors Phillip King and Michael Kenny.

1960 also happens to marke the period of my own serious engagement with art, for it was in that January that I came up to London to study. The Molton Gallery is but a dim memory, but I followed the other galleries through their shifts and changes, and I came to know Annely and Alex long before I began to write about art. For that long friendship and the encouragement they have always given me in my work, first as painter, then as critic, and for their infinite personal kindness, I, like so many others, can hardly begin to thank them enough. What they have done in their different ways to advance the cause of British art is incalculable. In congratulating them now, we all look on to the full jubilee 25 years from now, which under David Juda, Annely's son, the Juda Rowan Gallery is sure to enjoy.

*

I have known the Whitechapel Gallery too, for what seems a lifetime, but, so much do we take the familiar for granted, it was only in the long interval of its rebuilding and extension that I came to see quite how important an institution it is, and how much I missed it. Now it is open again, with its two principal galleries filled (until November 3) with the augmented version of Howard Hodgkin's show of his work since 1973, which the British Council took to Venice last year and then sent on tour abroad. Jacqueline Poncelet occupies the entirely new small gallery upstairs with her recent ceramic sculpture (until October 6).

What luck, perhaps what questionable luck, to be the first to show in an important public gallery transformed, with the building itself the main exhibit. My colleague, Colin Amery, discussed on this page yesterday the architectural remodelling, but I would add my congratulations to the architects, Colquhoun & Miller, for their wit and discretion in managing to do so much and yet leaving so much the same—*plus ça change* indeed. The Whitechapel is still palpably what it was in mood and feeling, the two large galleries the same simple uncluttered spaces they always were, naturally lit and as beautiful and effective as ever for the showing of works of art. It cannot be said too often that paintings, that are usually made in daylight, look best in daylight.

Both the Hodgkin and the Poncelet are excellent shows, but very familiar in substance. Miss Poncelet has already shown this year at the ICA, Angela Flowers and the Crafts Council, and this show, undertaken at short notice, is more continuation than surprise. And Hodgkin has had exhibitions galore—yet another, of prints made between 1977 and 1983, has just opened at the Tate (until December 1). To see his work here, topped up with recent pieces and hung so simply and unaffectedly on these cool walls, is certainly to see them afresh after the *eau-de-Nil* of the British Pavilion; but this is not really the moment to look too hard for fresh insight or analysis, which will surely supply another opportunity and may strike in any case regardless. Rather we take more hedonistic pleasure, in the rich colour, the succulent surfaces, the indulgent imagery, and the sheer enjoyment of a gallery that sets them off so well. For once, and in the truest sense, the Whitechapel gives us a Gallery Show.

Pygmalion in Bologna

Andrew Porter

The Opera Theatre of St Louis — a city founded under Louis XV — eight years ago produced Rameau's *Pygmalion*, on a double-bill with *Gianni Schicchi*. I suggested that it should revive the piece along with Cherubini's *Pimmalione* and Donizetti's *Pigmalione* — three delightful and very different works — while the company's Opera Studio put on the *Pygmalions* of Rousseau, Georg Benda, and Giambattista Cimador. Rameau's (1748) and Rousseau's (1770) versions both appeared in Louis XV's reign, and the latter, in various translations and adaptations was soon taken up all over Europe. Pygmalion is a potent myth. It moved Cherubini — whose own music was, and is, often called marmoreal and cold — to give stirring expression to the idea of an artist being driven almost mad by his inability to impart warmth, life, and breath to even his greatest creation. Napoleon, it's said, was moved to tears.

The Bologna Feste Musicali — eight September days of music that included Cherubini's Mass for the Coronation of Charles X, Liszt's *Via Crucis*, a programme of church music Byzantine and contemporary, and Gluck's *Paride ed Elena* — began with two *Pygmalions* after Rousseau: a melodrama setting by Ferdinando Provesi, Verdi's first teacher, and Cimador's through-composed version. Rousseau's *Pygmalion* was a melodrama, its libretto a three-column affair in which the first column specifies the musical character of each number, the second its duration, and the third the action is accompanies and the words Pygmalion then speaks. For example: "A few notes express desire, fear, then the swift, almost involuntary movement by which Pygmalion unveils the statue; 10 seconds; *With a trembling hand, he begins to lift the covering grows confident, discloses the statue of Galatea, seems ready to bow before it, then checks himself:* 'I was about to fall at her feet! What madness!'..."

One of Provesi's—and later Verdi's — duties as Buseto's *maestro di musica* was to provide fare for the "academies" of the Busseto Philharmonic Society. Its programmes often included short spoken plays. Provesi's *Pigmalione* (c1820) gave a chance both to some local actor and to the dilettanti musicians. The 32 brief musical passages that articulate the monodrama (Galatea, when brought to life, has only four exclamations) are nothing special. Most of them sound like aria introductions unfollowed by arias, couched in the Rossinian lingua franca of the day. A flute tune over pizzicatosas (as Pygmalion reflects that not the statue itself but an ideal it represents has won his heart) and flute and bassoon solos (when the statue comes to life) are pretty. Very full wind scoring reflects the composition of the Busseto Philharmonic, which had far more winds than strings.

Cimador's *scena drammatica* is more substantial and more interesting. It was composed, in Venice, for Matteo Babini, a celebrated tenor with an international career (Berlin, Petersburg, Vienna, the King's, Paris, where he sang duets with Marie-Antoinette), and one of those who helped to displace castratos as the heroes of lyric drama. He was a singer admired more for his intelligence, handsome appearance, and vivid acting than for purely vocal prowess. He sang Cimador's *Pimmalione* widely: the more famous Giovanni David also took it up; as late as 1836 it was still being done. In 1791, Cimador moved to London; he visited Bath with Haydn; he published much of Mozart's music. The epithet that first comes to mind for the music of his *Pimmalione* is Mozartian, and it has phrases in common with *Così fan tutte*. Neither work can have influenced the others for they appeared on the same day, January 26, 1790. Both composers employed the common melodic language of the late 18th century. But Cimador may have known Mozart's earlier operas.

His *Pimmalione*, however, has a character of its own, provided by its unusual formal structure. It is composed as a sequence of excited accompanied recitatives, expansive ariosos, and eloquent ariettas, amounting to a half-hour dramatic monologue that changes pace, changes mood, pauses for lyrical reflection, then pushes on, all in a manner vividly reflecting Rousseau's progression of thoughts and actions (here translated by Antonio Sografi). It's an adventurous and unusual work, adumbrating the dramatic scenas of 19th-century opera—but without the setpiece numbers into which such scenas led. It's more like an 18th-century *Erwartung*. Odd that Cimador composed so little else: his *Ati e Cibele* (1789; King's, 1795) and *Ratto di Proserpina* (1791) have been mislaid; some songs and a double-bass concerto survive.

The performances were given in the Aula Magna of Bologna's Institute of Fine Arts, established by Napoleon in a former church. It's an uncommonly handsome room, designed by Alfonso Torreggiani, the architect of many of Bologna's 18th-century splendours. The Institute's casts of masterpieces from the antique to Michelangelo decked it as Pygmalion's studio, and the modern, living Galatea (in Provesi's piece) was similarly naked. Tito Gotti conducted the Comunale orchestra. Giuseppe di Leva produced. Paolo Bessegato, in the Provesi, was a mannered actor; Carlo Gaifa, in the Cimador, sang intelligently and clearly, but in a tenor of effective compass even narrower than Badini's. Cimador's *Pimmalione* would lend itself to simple concert presentation, and it is a work that tenors in quest of a *tour de force* and enterprising chamber orchestras might well revive.

Mahler Festival/Festival Hall

Andrew Clements

The festival celebrating "Mahler, Vienna and the 20th Century" has returned for its second phase. There are two Mahler symphonies, as well as *Das Lied von der Erde*, *Das klagende Lied* and two song cycles to be included, plenty more Berg and an interesting scattering of contemporary or near contemporary works. Claudio Abbado and the London Symphony Orchestra are again the lynchpins of the programmes, and it was they who began proceedings on Sunday night with Mahler's Third Symphony, not at their home in the Barbican but in the Festival Hall.

During the first series of celebrations in the spring the LSO's playing varied wildly and inexplicably in quality and attentiveness. On this occasion its response was consistently excellent, amply fulfilling Abbado's demand for an enormously wide dynamic range, providing solos of suppleness and character, and tone quality in all departments that never lost its refinement even *in extremis*.

Abbado's view of this sprawling, sometimes infuriating symphony is impressively comprehensive. It does not shirk from the work's *longueurs*, does not force the pace when concentration might begin to falter or the structure threaten to disintegrate. It is more successful than most interpretations in abandoning clock time absolutely for the sake of musical time: that does not necessarily guarantee slow tempi (though the first movement in particular was taken very broadly) but it does inform everything with a naturalness and a breathing space that give the music consistent buoyancy, a more valuable commodity here than in almost any other Mahler work.

The orchestra and conductor were joined by Jessye Norman for a gravely intense account of the fourth movement, and by the women's voices of the LSO Chorus and Southend Boys' Choir for a nicely acidulated version of the fifth. Usually Mahler 3 is deemed value enough for an entire concert, but here it was preceded by Miss Norman's familiarly sensuous singing of Berg's *Altenberglieder*, to which Abbado supplied his familiarly smooth - contoured texturing of Berg, making altogether perhaps just too much of a good thing; one began to wish for sharper edges to set off that ravishing voice.

Berlioz Festival/Lyons

Ronald Crichton

Lyons shares the Berlioz Festival with the composer's birthplace, La Côte Saint André, a little under an hour's drive to the east. The small town offers friendly charm, a pleasant situation in the Daphinois, childhood associations and a great medieval corn exchange. Lyons, large, proud and prosperous, is a handsome city well cared-for, constantly embellished. Few would place the concrete jungle round the Crédit Lyonnais tower among the chief attractions, but at least the Auditorium Maurice Ravel, humped down there like a giant brutalist dollop, cannot be faulted on capacity or comfortable seats.

The festival is international in conception and in appeal, but not so starrily composed that the glossy visitors to Bayreuth and Salzburg will come and spoil the informal atmosphere which is one of the main pleasures. Wagner apart, you can't run an annual festival of any size on a single composer—Salzburg long ago ranged beyond Mozart (not far enough beyond, some might think). From now on Lyons/La Côte will be a biennial affair more consistently exploring areas of 19th-century French music affected by Berlioz. A new *Trojans* is said to be on the way.

This year's theme was "Romanticism and Sacred Music." No opera, but the two main choral works of Berlioz and the oratorio *The Childhood of Christ*, Cherubini's C minor Requiem, Gounod's St Cecilia Mass and Liszt's neglected *Christus*. Each event is given in both places. The contrast between the wood-beamed Halle aux Grains at La Côte and the spangly Ravel Auditorium in the city is, to say the least, piquant. At Lyons Cherubini's Requiem was done in the open outside the auditorium, with amplification unhelpful to what sounded a lively and appreciative performance under Jean-Sébastien Béreau.

Later that day, inside the building, the festival's artistic director Serge Baudo conducted the Lyons National Orchestra and choirs, including the Pro Musica Chorus from London and the Lyons opera chorus, in a most finely shaded reading of the searching *Te Deum* prefaced by the ceremonial march, which Berlioz added for some special occasion, and the too rarely played, delightful *Waverley* overture. May I say now that I cannot possibly list all the choirs involved in this or other concerts? Their number and variety of origin spoke eloquently for an amount of choral enthusiasm on which we once prided ourselves in Britain.

The Requiem I caught at La Côte. The conductor John Nelson had the same orchestra with a slightly different phalanx of choirs under firm control, but the ancient timbers are kinder to instrumental than choral sound. The sopranos once or twice dropped pitch. Perhaps they were feeling the autumn draughts whistling through the cracks. The tenor soloist in both works was Nicholai Geda, whose soft reprise of the Sanctus in the Requiem was masterly.

For Gounod we climbed to where Lyons' answer to the Sacré-Coeur in Paris crowns the hill of Fourvière and then descended into the crypt, a remarkable piece of neo-romanesque apparently waiting (alas, in vain) for Visconti to film the second act of *Tannhaüser*. Special lighting glowed uninhibitedly on 1870 mosaics and intricate carvings. To tell the truth the result more nearly resembled what those with small acquaintance with Gounod's work think he is like than the real thing, always a little more restrained, more personal, than one expects.

The Pro Musica Chorus, involved in many of the festival events, had this evening to themselves under their conductor John McCarthy. They made a strong case for the St Cecilia Mass, whose blander pages are balanced by others of surprising vigour and a discreet pinch of harmonic savour. There being no room for an orchestra, John Birch stood in at the organ, playing with so much style and even wit that there was no serious cause for complaint—unfortunately the programme note appeared to have been designed for some other performance. In general the Lyons public is solidly attentive rather than demonstrative, but there is a fringe of instant clappers who on this occasion applauded each successive number of the Mass. I never thought to hear the Credo applauded in a French church. Mr McCarthy was not firm enough with them.

Gounod shared the programme with some small Berlioz pieces of varying interest, including a "chant héroique" adapted by the composer from his *Symphonie funèbre* and an arrangement by him, sweetly simple, of a Paternoster by the St Petersburg composer Bortnyansky. Nothing much, but festivals are the proper place for such exhumations. Of *Christus*, more in another article.

New Ronald Harwood play

Maggie Smith and Edward Fox will star in *Interpreters*, a new play by Ronlar Harwood which will open in the West End at the Queens Theatre on November 19. It will be directed by Peter Yates and produced by Robert Fox.

RPO/Barbican Hall

David Murray

On Sunday night the Royal Philharmonic had a new guest conductor, the 32-year-old Claus Peter Flor. He began with a sizzling account of Glinka's *Russlan and Ludmilla* Overture, which showed the orchestra in promising (and intrepid) form at once. Sure enough, after the interval they were fully equal to his strenuous demands in the Fifth Symphony of Chaikovsky, with the high woodwinds brilliantly neat in the Trio of the *Valse*.

The Chaikovsky got a young man's performance, high-spirited and often brash — a performance of extremes, though nothing was extremely soft nor extremely slow. The Introduction was more portentous than usual; after that everything was brisk, rapid or super-swift. What saved it all from vulgarity was a strong sense of expert purpose; amid the excited dash Flor managed to be surprisingly flexible, and the Symphony never became parade-ground mechanical. The Valse had a particularly taking lilt. There was nevertheless an excess of triple forte where fortissimo would have done just as well, and in the loudest tuttis Flor let his strings disappear in the mêlée.

Even the pianist Cécile Ousset, in the Third Concerto of Rakhmaninov, was effectively shouted down two or three times — something one had supposed her big, gleaming tone to be proof against. But otherwise she dominated properly, and without sacrificing any of her characteristically smooth shadings. Her technical ease was breathtaking as always. If anything was missed, it was some mischief in glittering scherzando passages, but even in those the execution was a delight. In the Finale I remember no other pianist able to keep the chugging main subject so rigorously up-tempo with such clarity. In the two principal climaxes she and Flor risked parting company, but if anything that added some trepidatious thrill.

Saleroom/Antony Thorncroft

Indian artefacts

Sotheby's in New York took advantage of the Festival of India, which is gripping the U.S., to organise a massive auction of Indian works of art over the weekend. The sale was particularly strong in Indian sculpture, with a top price of $140,000 paid by the Japanese dealer Matsuoko for a Chola bronze of Siva, dated to the 11th century.

All told the auction brought in $2.1m but was 26 per cent unsold. Matsuoko also paid $20,000 for a central Indian sandstone relief of Brahma and $42,000 for a 4th century Gandhara figure of Buddha.

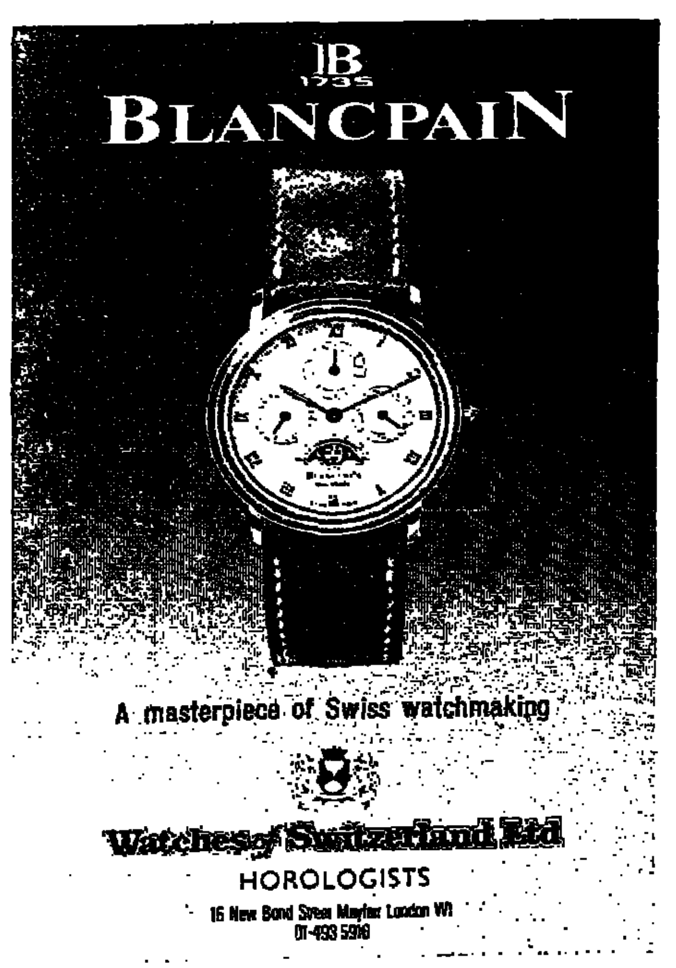
A record price for any work of art sold in Scotland was achieved by Christie's at its Glasgow auction rooms for a picture by the early 18th century artist John Wootton. The London dealer Richard Green paid £240,000 for a scene of a huntsman with hounds.

The painting came from the Islay mansion of Lord Margdale. He has sold up and moved to the mainland and the contents of Islay House are being sold by Christie's. As an indication of the relative value of good pictures and large houses in the more remote parts of Scotland the house, with more than 50 rooms, made only £150,000, selling to an American buyer.

In the same Christie's sale a watercolour by Munnings entitled "The Meet' went to a London dealer for £51,800. Thise is a record for a Munnings watercolour. "Polo ponies in India" by Lionel Edwards, painted in 1927, did well at £9,640.

The finest collection of pictures, drawings and lithographs by the French Romantic artist Theodore Gericault is to be offered for sale by Christie's on November 15 in London. They should make over £2m.

Gericault died at the age of 33 and good examples of his work rarely appear on the market. The collection was formed by the late Hans. E. Buhler, a Swiss connoisseur. The highlight of the auction is a unique version of "La course de chevaux libres," which Gericault worked on during his year in Rome in 1817.



Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 20–26

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: Schubert lieder recital with Dietrich Fischer-Dieskau accompanied by Hartmut Höll. Fidelio is a Jean-Pierre Ponnelle production with Peter Hofmann as Florestan and Deborah Polaski. Cosi fan tutte, sung in Italian, features *Angela Denning* and Alejandro Ramierez. The Magic Flute rounds of the week. (34 381).

Hamburg, Staatsopera: Der Barbier von Sevilla, with Rachel Joselson and Ruggero Raimondi. La Bohéme has Katia Ricciarelli excelling in the part of Mimi. The Magic Flute is a well-done repertoire performance. Kurt Moll is brilliant as Osmin in Die Entführung aus dem Serail. (351 151).

Cologne, Opera: Lucia di Lammermoor convinces thanks to Lucia Aliberti in the title role. To commemorate *Händel's 300th* anniversary Agrippina is offered with Günther von Kannen and Barbara Daniels. Turandot brings together Kathryn Montgomery-Meißer and Hubert Möhler. (20 761).

Frankfurt, Opera: Der Fliegende Holländer is conducted by Judith Somogi. Berlioz' Die Trojaner returns. Dido and Aeneas has Glenys Linos and Valentin Jar as leads. Also, Der Zigeunerbaron. (25 621).

Munich, Bayerische Staatsoper: Salome is perfectly cast with Astrid Varnay, Eisbeth Baisiev and Bernd Weikl. Le Nozze di Figaro, Die vier Grobiane. (21 851).

VIENNA

Staatsoper: Smetana's Die Verkaufte Braut conducted by Kout with Popp, Lotte Rysanek, Ridderbusch; Cosi fan tutte conducted by Kout with Coburn, Daniel, Watson; La Traviata conducted by Segerstam; Raimonda by Glasunov and Nurejev conducted by Schirmen. (5324/2655).

Volksoper: Kalman's Die Csardasfuerstin; Die Fledermaus; Die Verkaufte Braut; Lortzing's Der Wildschütz; Milloecker's Der Bettelstudent. (5324/2657).

PARIS

La Belle Hélène conducted by Yan Pascal Tortelier/John Burdekin in Jerome Savary's production with Sandra Brown/Madelyn Renee in the title role, Jerome Pruett/Georges Gautier as Paris and Marie-Christine Porta/Veronique Dietschy as Oreste inaugurates the new season at the Opéra Comique. (296 0611).

Martha Graham Dance Company. Music by Gian Carlo Menotti, Igor Stravinsky, Paul Hindemith and Carol Nielsen. TMP-Châtelet. (233 4444).

SPAIN

Seville, The Spanish National Ballet: Concerto Barroco. Choreography by George Balanchine to Bach: Claustro del Monasterio de San Jeronimo de Buenavista. (Tue).

Madrid, Real Madrid football stadium: Open Air concert. Free entrance, organised by El Corte Ingles, presents Luis Cobos conducting the Royal Philharmonic Orchestra with popular Spanish music: Pasadobles and Zarzuela arranged by Cobos. American Robert Mandell will conduct orchestra to accompany Spanish tenor Jose Carreras. Repertoire will include West Side Story. Spanish ballet dancers, arranged and choreographed by Carl Davis. (Tue).

NETHERLANDS

Amsterdam, Stadsschouwburg. The Netherlands Opera launches it new season with a double bill. Zemlinsky's Geburtsdag der Infantin and Dallapiccola's Il Prigioniero directed by David Allen, sets and costumes by Frank Raven. Edo de Waart conducting the Netherlands Philharmonic, the Opera Choir under Johannes Mikkelsen. Casts headed by Neil Rosenshein and Thea van der Putten, and Els Bolkestein and Jan Derksen (242311).

Scheveningen, Circus Theatre. The Nederlands Dans Theater with Brahms by Lar Lubovitch, and Jiri Kylian's Heart's Labyrinth I (Schönberg/Webern/Dvorak) and Dream Dances (Berio). (Thur). (55 88 00).

NEW YORK

Metropolitan Opera (Opera House): Tosca conducted by Carlo Felice Caillario with Monserrat Caballe, Luciano Pavarotti and Cornell MacNeil opens the new season, followed by Jenufa conducted by Vaclav Neumann of the Czech Philharmonic and Falstaff in Franco Zeferelli's production conducted by James Levine. Lincoln Center (362 6000).

New York City Opera (NY State): Frank Corsaro's new production of The Love for Three Oranges has the sets by Maurice Sendek created for Glyndebourne in 1982. It features Diana Walker singing Ninetta, Joyce Castle as Fata Morgana and John Lankston as Truffaldino, conducted by Christopher Keene. Manon, conducted by Jose Serebrier, was last seen in this production by Tito Capobianco in 1980. The week includes La Cenerentola and Carmen. Lincoln Center. (870 5580).

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday September 24 1985

Limitations of a quick fix

THE ATTEMPT by the Group of Five finance ministers to devalue the dollar, through strong words backed by the threat of market intervention, is good news so long as ministers recognise that it is only a first step—a quick fix while real solutions are developed. It could prove very bad news if the predictably sharp fall in the dollar on the first day convinces them that they achieved something solid, and can safely go back to their domestic preoccupations. The situation is far too dangerous for that.

The sharpest danger, as the communique from New York recognised, is the growing protectionist sentiment in the U.S. Congress, which could only too easily prove strong enough to override any veto which President Reagan attempts to impose. The President has been trying to contain Congressional sentiment by an aggressive stance towards protection in other countries, with little effect on Congress.

Intervention

The Group of Five communique is at least a clear signal that America's trading partners recognise her problems, and are prepared to help, even at some cost to themselves; if the attempt to devalue the dollar is successful, it will certainly hurt those who have been doing so well out of exporting to the U.S., as the London stock market immediatelly recognised by marking down companies with a large dollar income. It should also give some relief to the U.S. farm and energy sectors, by stabilising or raising the dollar prices of their output. It represents an attempt to relieve the pressures on the U.S. economy by getting the world trade system to function better rather than by interfering with it.

This makes a powerful case for wha thas been done, but begs two very large questions. Can unaided intervention (or the threat of it) achieve what is wanted? And if it can, will the relief be effective enough or large enough to disarm the would-be protectionists?

Economic purists will readily brush the whole exercise aside as futile; and since they include the U.S. administration spokesman who yesterday claimed, incomprehensibly, that there had been no change in American policy in intervention, it may yet prove so. The central banks will almost certainly have to give the markets at least one firm push, as they did so effectively in February, to carry any conviction.

The correction may then prove quite durable if it is true that the over-valuation of the dollar is partly a matter of market expectations, as proved to be the case after the speculative climax at the beginning of the year, and if the intervention is not sterilised. Both these are very questionable propositions. Last year the dollar had rewarded the bulls so generously that its overvaluation was self-sustaining. Since the February turn it has fallen heavily, and subsequently drifted nervously; its present level seems adequately explained by interest rate differentials.

If interest rates are at the heart of the problem, then monetary policy needs to be adjusted to meet the investment demand for dollar assets more readily. This means higher monetary expansion and lower interest rates in the U.S., and tighter policy elsewhere.

Indeed, unsterilised intervention is simply one of the available open-market techniques for substituting dolar liquidity for liquidity in other currencies.

Sentiment

However, there is nothing in the communique to suggest that this point has been acknowledged, or that the U.S. authorities are ready to allow doHar monteary aggregates to overshoot still more drastically, or that the Germans and the British, not to mention the Japanese, are happy to delay the interest rate cuts which would be so popular with industry and with the electors. Yet this is the minimum required to ensure that the G5 communique is an action plan rather than an exercise in rhetoric.

We are doubtful on both these points; but even if we were not, we would suspect that an exchange rate adjustment—long overdue—is only a beginning. At best it will bring slow relief to U.S. industry; it will affect profit margins in exports to the U.S. rather than trade volumes. Above all, misaligned exchange rates reflect misaligned fiscal as well as monetary policies. If economic trends—and Congressional sentiment—are to be changed at all durably, action will be needed to reduce U.S. government borrowing and boost demand in strong surplus countries. The assault on the dollar is a small beginning.

Mrs Thatcher in the Middle East

MRS THATCHER played her cards well in the Middle East last week. She set out to support moderate Arab governments in their quest for a negotiated settlement to the Palestinian issue, to nudge President Reagan into becoming more positively involved in that process and to promote and secure British interests in the region. In at least two of her three objectives she appears to have been successful.

The most controversial aspect of the Prime Minister's visit to Egypt and Jordan was inevitably her decision to invite two members of the Palestine Liberation Organisation's executive committee for talks with Sir Geoffrey Howe in London next month. It does not amount to full recognition of the PLO but it points clearly to the way in which the British Government would like to see that oganisation evolve.

Armed struggle

Mr Mohammed Milhem and Bishop Khouri have never been associated with the military wing of the PLO but do command respect among the 1.2m Palestinians living under Israeli occupation on the West Bank and Gaza.

Neither man would deny the PLO the right to engage in armed struggle to achieve its objectives, but both appear to believe that the best hope of securing self-determination for the Palestinians is through the agreement negotiated between King Hussein of Jordan and Mr Yassir Arafat in February. King Hussein asserts that the essence of that agreement is UN Resolution 242 which provides for Israeli withdrawal in return for peace.

If that is the direction in which the PLO is moving then Mrs Thatcher was correct to encourage it. The sterility of a situation in which Israel refuses to acknowledge the PLO, because it is a terrorist organisation aimed at the destruction of the Jewish state, while the PLO will only talk to Israel if it has the prior pledge of an independent state, is all too obvious to everyone.

If there is ever to be a peaceful settlement in the Middle East it has to be negotiated with people who are genuinely representative. Should Mrs Thatcher succeed in persuading President Reagan of this then her trip will have been doubly successful. The U.S. Administration is still hesitating over which Palestinians it will talk to as part of a joint Jordanian-Palestinian delegation. It is a procedural dispute which carries with it the risk that even if the U.S. does eventually take the plunge it will both upset Israel while failing to convince a substandial part of Arab public opinion.

President Reagan has the opportunity now to provide the peace process with the impetus it needs. The hope is that he will tell King Hussein next Monday that the U.S. can agree on representative Palestinian names and that talks will be held soon afterwards. At the same time he must reassure Israel of the U.S. commitment to its security.

Mrs Thatcher is certainly in no doubt that the pressures on King Hussein, domestically and internationally, will intensify if he cannot demonstrate any progress within the next few months. Syria is publicly committed to the destruction of the Hussein plan, a task which will become immeasurably easier if Washington continues to prevaricate.

Of course, Syria should ideally be involved from an early stage in negotiations but if that has been deemed impossible then the only method of tempering the opposition of Damascus will be through showing that Hussein's plan can provide benefits for the Palestinian people.

Britain and the other members of the European Community can provide a voice distinct from that of the U.S. and one of real value to the more moderate Arab nations. Sadly, international politicians tend too often either to lose interest or not to follow through. By becoming the first British Prime Minister to visit Jordan, Mrs Thatcher, who is also a friend of Israel, signalled perhaps the emergence of a new role for London, if not as a principal player at least as a catalyst.

U.S. HOUSEHOLD PRODUCTS

A tough three-cornered fight

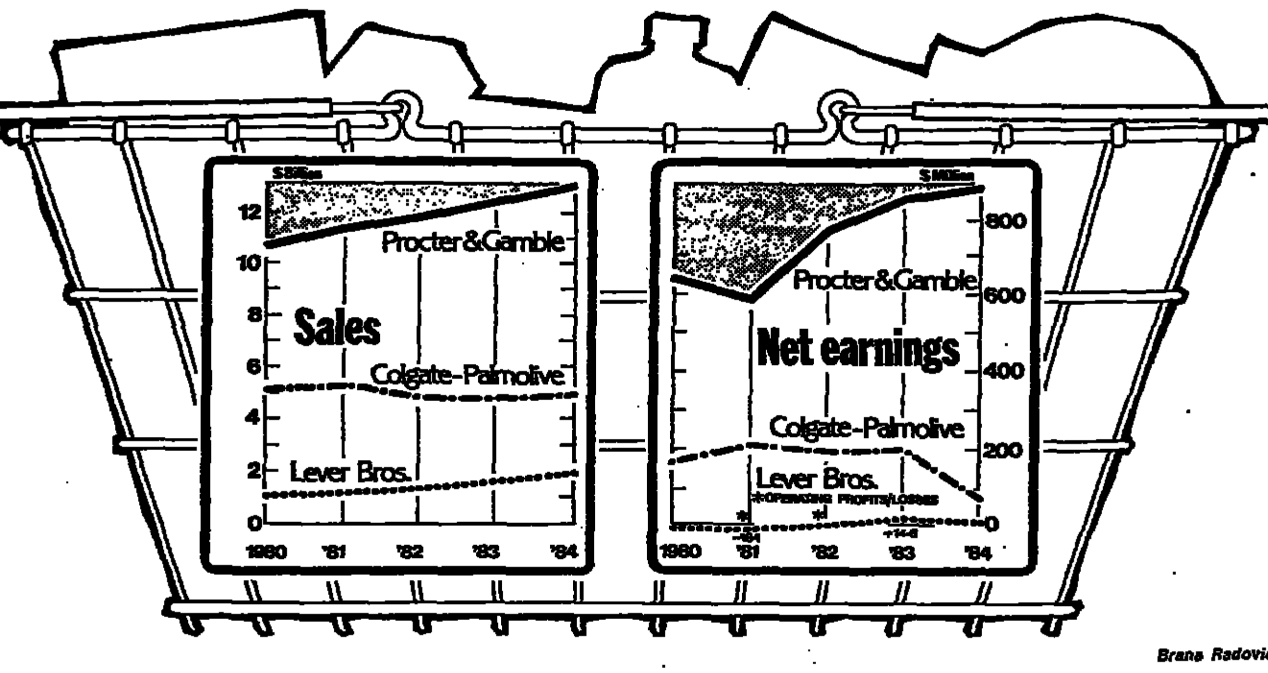
By Terry Dodsworth and Paul Taylor in New York

A WALL STREET investment banker was asked recently why he thought Unilever had moved much more rapidly than expected to make a full bid for Richardson-Vicks, the world-famous manufacturer of Vicks VapoRub.

"Because," he replied, "it didn't want to see Procter & Gamble or Colgate pick Richardson up from under its nose."

This response neatly encapsulates the fierce triangular battle which has been waged for years among the three companies that produce most of the household names found under the kitchen sink and in the bathroom cabinet.

For the best part of this century, they have been engaged in elaborate manoeuvres which have taken them into virtually every corner of the globe and an ever-widening line-up of products. The marketing conflict is engaged wherever two members of the trio come into competition. But historically Unilever has been the dominant force in Europe, as Procter & Gamble is in the U.S.



Brana Radovic

Since the early 1980s, Unilever and its U.S. subsidiary, Lever Brothers, has stepped up its attack on the American market. It has launched a battery of new products backed by fistfuls of advertising dollars, invested heavily in new plant, and restructured its operations. Its $1.3bn contested takeover bid for Richardson represents the culmination of this new expansionary drive.

The acquisition of Richardson would give Unilever a new batch of instantly recognisable brand names to put in the bathroom cabinet alongside its own Lifebuoy soap, Dimension shampoo, Aim toothpaste and Signal mouthwash. Among these are Richardson's Oil of Ulay skin lotion and its redoubtable 80-year-old Vicks range.

This new-found vigour at Lever follows a bleak patch when, as one analyst puts it, "the management went to sleep at the wheel." Although Unilever's other interests in the U.S., Lipton's tea and the more recently - acquited National Starch, have rarely shown less than a sparkling performance, Lever Brothers lost market share steadily in the 1970s. By 1978 it was losing money and it took a major management upheaval to pull the group out of its delcline.

"I could not understand it," says Mr Hercule Sogales, an analysts at Drexell Burham Lambert who used to work for Procter & Gamble. "Unilever was such wonderful company, yet there was this amazing difference between its European performance and Lever Brothers."

In 1980, the Unilever board dispatched Mr Michael Angus, a top-ranking executive, to sort out the problem. Three years later, Lever pulled back into the black, posting a $14.6m net profit in 1983 following five years of losses. Yet even today Lever's performance can hardly be described as glowing. Last year the company reported earnings of just $7.1m on sales of $1.8bn.

Part of the explanation for this lacklustre bottom line is the vigorous and costly marketing effort Lever has mounted to re-establish its position in the U.S.—which has intensified its head-on clash with Procter & Gamble and Colgate.

Over the past five years all three have suffered from the battle for market share in a mature sector. Even Procter & Gamble, the 22nd largest company in the U.S. and undisputed marketing king, has stumbled, making some uncharacteristic product errors.

One of the most serious setbacks for the Cincinnati-based P & G was in the $1bn-a-year toothpaste market where Colgate-Palmolive caught it napping with a series of new product launches. In the early 1980s, Colgate brought out the clear sweeter-tasting Gels which was an instant success in the children's market, following up last year with the launch of the Colgate pump dispenser—an innovative packaging idea which replaced the traditional tube with a firm plastic dispenser which pumped out a single standard dollop of paste.

Proctor & Gamble reacted sluggishly to the challenge posed by the Colgate pump, and then lost more credibility and market share when its rival pump dispenser ran into technical problems during test marketing.

In the meantime, Colgate has established a clear lead, capturing about half of the rapidly growing high-margin pump market—which is now estimated at over 12 per cent of total toothpaste sales.

Mr Reuben Mark, Colgate's new president and chief executive, claimed last month that his company has now drawn almost level with P & G in total toothpaste sales. "In 1979 they had a 42 per cent share and we had 18 per cent," he said. "Today they have about 28 per cent and we have about 25 per cent."

Even in its base market of detergents, P & G appears to have faltered. Lever Brothers early launch of Wisk liquid detergent more than 20 years ago enabled the company to capture a healthy lead in the fastest growing sector of the detergent market. According to industry estimates, liquid detergents now account for $750m of the $3.2bn-a-year total detergent market, and Wisk has taken a third of the liquid market to become the second-biggest selling detergent of any sort behind P & G's 39-year-old powdered Tide brand.

Some Wall Street analysts believe P & G's uncharacteristic lapses reflect hardening arteries in the 148-year-old company Sales and earnings growth have slowed in recent years and in fiscal 1985 it posted its first full year earnings decline in 33 years as profits slumped by 29 per cent to $635m.

Other industry specialists however attribute P & G's recent problems as much to the new-found marketing skill of its chief rivals.

At P & G, competitive pressures have forced the once ultra-cautious company to introduce an unprecedented number of new products. Recent additions to the brand line-up range from Duncan Hines chocolate chip cookies to Citrus Hill orange juice and a handful of over-the-counter drugs resulting from its $371m acquisition of Norwich Eaton in 1982. At the same time P & G has launched a counter-offensive in the liquid detergent market with its new and highly successful Liquid Tide brand, Liquid Bold 3 and several other derivatives of its best-selling powder brands.

Backing this up, the group has plunged into a major capital expenditure programme to re-equip and automate its plants. In its latest fiscal year, capital spending grew by 20 per cent to $1.1bn, following a 50 per cent rise the previous year.

P & G's already legendary advertising budget has also been stepped up. Last year the group spent $750m on promoting its products, well above such corporate giants as Sears Roebuck, General Motors and significantly more than the combined advertising budgets of Lever and Colgate.

Colgate-Palmolive has looked to be the most vulnerable company in the trio. On a global scale, it is much smaller than either of its two competitors with total sales of $5bn against Unilever's $21bn and Procter & Gamble's $13.6bn.

After peaking at $208m in 1981, earnings slipped steadily to $153m last year, making the group a favourite target for takeover speculation.

Belatedly, Colgate has begun to refocus on its traditional strengths, selling off some of the companies it bought during an acquisition phase during the 1970s. Mr Mark says the company will concentrate on the products for which it is known best — brands like Fab detergent, Ajax cleaner, Palmolive soap and the ubiquitous Colgate brands of toothpaste and shaving cream.

In the face of P & G's comeback plan and Colgate's retrenchment, Lever seems to be settling in for the long haul. There are certainly no quick profits to be made in playing second fiddle, however well, to P & G. Despite the success of Wisk, analysts believe that it earns virtually nothing on its detergent line, compared to the perhaps 16 or 17 per cent return on sales achieved by P & G.

The new product programme launched by Mr Angus and continued by his successor Mr Gordon Stevens, has continued to soak up funds. It costs around $40m to launch a new detergent nationally in the U.S., and Lever is showing no signs of slowing down the pace of new introductions — it is steadily expanding the Surf powdered brand, developing both Snuggle liquid fabric freshener and Sunlight automatic detergent nationally, and last year built a new $41m plant for its Dove and Caress toilet soaps.

Yet, despite the cost, marketing experts believe this concentration on the U.S. will continue for some years to come. They see lever shifting decisively away from its 1970s emphasis on Third World markets—a period when the developing world seemed to hold out rich prospects of growth—to a determined assault on its U.S. rivals on their home territory. "One way of competing internationally is to take away easy profits from your competitors in their home markets," notes one analyst.

Part of the new strategy, they believe, will involved a stepped-up effort to transfer product technology from its European base to the U.S., a trend which began under Mr Angus in both the detergent and margarine sectors. In margarine, for example, Lever revamped its operations last year, acquiring Shedd, one of the leading U.S. producers, and returned into profits in this sector

The second element in the group's assault on the U.S. consumer and household products markets became apparent in the Richardson-Vicks takeover bid. While it is far from clear at this stage that the offer will succeed—family-controlled Richardson is fighting like a tiger—Lever is clearly determined to broaden its competitive front in the U.S.

By launching its $1.3bn bid for Richardson, Lever is aiming to pick up a complementary product line which can be supported by the sort of marketing it understands, in a field where, for once, it will not crash headlong into its old adversaries.

EUROPE'S SHIFTING MARKET SHARES

THE three-way battle between Unilever, Procter & Gamble and Colgate-Palmolive has been waged across Europe for many decades. But they do not have it all their own way.

According to London stockbrokers Henderson Crosthwaite, Unilever has around 21.5 per cent of the entire European market for detergents, and Procter & Gamble 17.5 per cent. Third place, though, goes to the German producer Henkel, which has a commanding position in Germany and Austria. Colgate Palmolive brings up the rear with 7.5 per cent.

The dominance of Henkel in Germany, together with the aggressive pricing tactics of the leading German retail chain Aldi, has knocked the international players in recent times. By outside estimates, Unilever has lost £50m in German detergents over the past five years.

"In the second quarter of this year," Unilever says, "we decided that enough was enough. We have restructured very heavily in Germany, with manpower losses in almost every area of the business. Even so, it will take two or three years to get back into profit."

In the UK, where Unilever and P and G have the field largely to themselves, the battle has been especially hard and prolonged. Lever Brothers' share of the UK washing powder market peaked in 1980 at a remarkable 52 per cent, against P and G's 39 per cent.

Then the tables began to turn. By 1982, Lever's share stood at only 47 per cent, P and G's at 42 per cent. In November 1983 came Lever's disastrous launch of new Persil Automatic: the product was widely publicised as the cause of severe skin rash, and within a few months sales of Persil Automatic—which once claimed 26 per cent of the entire market—had virtually collapsed. Swift remedial action was taken, but the company will now say only that market share is "out of the treugh."

Tony Jackson

Men and Matters

Change of agenda

The thick and glossy agenda for the Tory Party conference, published yesterday, shows that a month is a long time in politics. The publication which went to press before the Cabinet reshuffle has adecidely dated look.

All the old ministers are listed to answer the various debatse when the party faithful gather at Blackpool in two weeks' time. A typed list containing no less than eight corrections had to be issued at the press conference which launched the agenda.

A full page colour photograph shows the beaming face of John Selwyn Gummer as chairman of the party though, of course, it is the more saturnine Norman Tebbit who now rules.

The luckless Patrick Jenkin, who made known his ill-feeling over the way he was pushed out of the Government, is still listed as the man who will answer the conference debate on environment, homes and land.

That nimble novelist, Jeffrey Archer, the party's new deputy chairman, fares rather better. Presumably, it was known that his appointment was in the offing as his name is down in the agenda to make the traditional appeal for party funds on the last day of the conference.

Who better than the author of "Not a Penny More, Not a Penny Less" for such a task?

ECU spirit

Britain may still be some way from membership of the European Monetary System. Nevertheless, one City of London company has just made its own contribution to the spirit of community harmonisation.

F & C Eurotrust, the specialist European investment trust in the Foreign and Colonial Management Group has published an annual report which presents a revenue account and balance sheet denominated in the European Currency Unit (ECU) in addition to the normal sterling figures.

The idea is to show how the firm has performed without the distortions caused by the fluctuations of sterling over the last year.

F & C says it is the first British company to publish ECU accounts.

There is not likely to be a rush to follow it, although rivals may note the happy fact that the trust's ECU net asset value is up 33 per cent over the year—well ahead of a 22 per cent rise in sterling terms.

The French nationalised glass group Saint Gobain adopted ECUs earlier this year when reporting and has gone a step further by issuing ECU denominated loan stock.

Garden City

The popular perception of Glasgow remains stubbornly one of a rundown city based on declining heavy industry. Not quite true, of course, as any recent visitor can confirm, but it is a big psychological hurdle for the organisers of the city's 1988 garden festival.

As Billy Connolly, the home-grown comedian, admitted ruefully at a razzamatazz launch of festival plans at the Honourable Artillery Company's headquarters in the City, Glasgow and flowers appear to be mutually exclusive.

But over 100 acres of derelict dockside near the centre of the city will be transformed into a landscaped park, marina and pleasure gardens to attract an estimated 4m visitors.

As an "unashamed fan" of Glasgow, George Younger, the Scottish Secretary, accepted the indignity of a bumpy ride in a hot air balloon with Connolly for the sake of the cameras. "Glasgow's festival will outshine them all," he said loyally.

The Scottish Development Agency which is funding the operation at a net cost of around £12m, is looking for sponsorship from private industry and has high hopes of getting it.

The garden festival concept has caught on following the success of Liverpool last year. Stoke on Trent, where a former steelworks site will be transformed by next summer, has already attracted £3½m from industry.

Water-mark

Thames Water Authority is bubbling with excitement. Its tap water has been voted among the top 10 leading brands of bottled water in a taste test.

"What wine?" magazine organised a water and wine tasting in London earlier this monthand Thames, after carbonating a bottleful of tap water, slipped it into the test with the other 23 sparkling waters.

The judges placed the Thames sample sixth, ahead of 17 well-known bottled brands.

Thames has apparently not decided yet whether to enter the market. But its existing customers, it reckons, should be pleased to know what a bargain they are getting at a mere .06p a litre.

Northern lights

Much as I respect the sterling qualities of Yorkshire folk and their proud county, the idea of Bradford, the West Riding woollen city, being a tourist attraction had somehow passed me by.

Nevertheless, Bradford is the first norther ncity to be selected by the English Tourist Board for a tourism development action programme.

The board and the various local authorities have agreed to find £40,000 for a series of feasibility studies designed to maks Bradford a firm favourite among northern conference centres.

Meanwhile, the European Economic Community is finding a further £120,000 to carry out an analysis of Bradford's socio-economic structure.

Bradford's special role throughout its industrial history has been to absorb immigrant n soa large scale. The Victorian city was largely built-up by the efforts of European refugees from the Franco-Prussian war. Since World War Two the city has been changed yet again by waves of immigrants from the Indian sub-continent.

The tourist board is backing Bradford encouraged by the fact that some 30,000 people are already choosing to visit the city annually on "short-stay" holidays—either to see relatives or tot our the nearby Bronte country and various spots in the Yorkshire dales

And, as a reminder of earlier visitors who came and stayed, the run-down area called Little Germany is being revived as a sort of northern Covent Garden, while the Wool Exchange is destined to become a shopping mall.

Room service

When a coup was attempted in Bangkok recently — it rapidly failed — the first thoughts of the Asia Hotel management were, naturally, for the well-being of their guests.

The following memo was circulated:

"To all our dear guests. Please be informed that a light government revolution is going on this morning.

"The public is then requested to keep calm and, if possible, stay out of busy areas until situation is back to normal.

"There is nothing to panic. Please just be aware of the situation in case you have to be out of the hotel.

"Thanking you for your kind attention and co-operation."

Observer

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Ian Ferguson, Schlossparkstrasse 3, 4000 Dusseldorf 13. Tel: (211) 719011 · Tlx 17211 4082

Letters to the Editor

Unemployment and real wages

From Mr D. Howell MP

Sir,—What Mr James Symons writes (September 17) about unemployment and real wages is interesting. But I hope the policy-makers do not draw the wrong conclusions from it.

It may well be correct—it almost certainly is—that fall in real wages expands employment, and that the slower and stickier the fall, the less the impact on unemployment. Indeed, Keynes said as much.

But this insight is a wholly inadequate basis for a rounded economic and social policy in today's conditions. What happens if the market-clearing real wage is well below accepted minimum standards of living and dignity?

In effect the policy-makers who talk purely in these terms seem to be telling people in already straitened circumstances somehow to live on less —not a very warming message.

This is why Government spokesmen who lecture the worldworld about the need to "price workers into jobs" would be wise to spend more time explaining how people's standards of life and status are going to be upheld, if not by wages from employment.

The answers are to hand in the goal of a far wider spread of personal capital ownership, in a much greater sharing in the profits from capital and in more effective state income support for those on low wages or who are drifting into the ever-growing part-time economy.

If the Conservatives want to get popular again they should keep pious pronouncements on the workings of the labour market to a minimum and concentrate their new firepower on the promotion of these themes, turning all hands and policies to the task of dramatically widening ownership in our society, of homes, businesses, shares and other assets.

Keynes himself did not give much credence to the idea that the wage problem, and the unemployment problem, could be progressively cured by allowing workers a far greater share in the nation's capital, although he mentioned the thought in "How to pay for the war."

But now that events and modern technology are combining to produce an explosive growth in part-time work (in other words, many more people are accepting lower take-home real wages anyway, even while effective demand is strong and credit booming on all sides) the time has come to put the ownership idea to the forefront of the Conservative Government's thinking and presentation. Some of us believe that it should have been put there a decade ago, and said so.

David Howell.
House of Commons, SW1.

Potentially illegal TV licence

From Mr J. Harrington

Sir, — From your recent reports on BBC financing, there appears to be an unquestioning assumption that the TV licence fee is legal. The European convention on human rights — which is supposed to override any contrary UK laws — demands, in part, "the right to . . . receive information . . . by any medium and regardless of *frontiers*." This fundamental human right makes it illegal for the British Government to deny people access to broadcasts from ITV or any other body which broadcasts information in unscrambled form into the airwaves on demand for payment of a licence fee.

By analogy, consider a demand from the Government that anyone who wished to receive any of the free newspapers that are produced had to pay for the Government to produce its own "free" paper, whether one wanted to read that paper or not. Any such law would provoke justified public outrage. The insidiousness of the licence fee, with the resultant snooping by detectors and criminalisation of those wishing to exercise their rights freely to receive information on their TV sets, is no different.

Once the licence fee is gone, there are various alternatives. TV signals could be broadcast in scrambled form, with descramblers available for rent, perhaps on a metered amount of view basis. One could try advertising. (Bear in mind that if advertising in regional areas does not work—it can be cancelled.) It could be funded out of general taxation with political safeguards. One way would be to set a current funding level, ensure that in the future the funding is inflation-proofed, by reference to industry-relevant indices; with a requirement that no legislation aimed at changing the BBC's status or funding could be effective unless that legislation was passed six years later and only then became effective. This would ensure that a Government with a solid majority could not threaten the BBC effectively without that threat being deferred beyond a next election.

Jan R. Harrington.
P. Box 748, General Post Office, New York, N.Y 10001.

Amending the Treaty of Rome

From Mr J. Richards

Sir,—The conference for revision of the Treaty of Rome provides an opportunity to avoid problems that can be expected in future in connection with the application of Article 85 of the Treaty by its suitable amendment now.

Paragraph 1 of Article 85 prohibits all agreements affecting trade between member states of the EEC that have "as their object or effect the prevention, restriction or distortion of competition with the common market." Paragraph 2 makes such agreements void. Paragraph 3 allows for the prohibitions of paragraph 1 to "be declared inapplicable" in cases where, subject to certain provisions, the agreement "contributes to improving the production or distribution of goods or to promoting technical or economic progress while allowing customers a fair share of the resulting benefit."

A problem arises in that only the Commission of the European Communities can make the necessary declaration under paragraph 3 (any doubt about this in the wording of the Treaty itself is dispelled by the provisions of Council Regulation 17 of 1962). The result of this is that a very large number of agreements fulfilling the requirements have had to be notified to the Commission and until such time as the Commission has acted upon them, there has been uncertainty as to the legal position between the parties. The Commission has tried to reduce the number of agreements requiring notification before they are fully effective by promulgating a number of group exemptions (for example, in the fields of exclusive distribution agreements, patent licences, specialisation agreements, joint research and development agreements), but it still has a backlog of several thousand cases to deal with.

Many of the cases before the Commission arise from complaints from parties who believe themselves to be aggrieved by a breach of Article 85. In order to reduce the burden under which it finds itself the Commission in its last two reports on competition policy sought to encourage those who feel aggrieved to institute proceedings in their national courts rather than send complaints to Brussels. It seems generally desirable that the Commission's pleas should be heeded. If, however, they are, a substantial problem will quickly emerge. As noted above, paragraph 1 is an absolute prohibition, relief from which can only be granted by means of an exemption made by the Commission. The courts in the United States when faced with a similar absolute prohibition in the provision of United States Antitrust Law quickly concluded that the statute could not possibly mean what it said and applied a rule of reason to find only unreasonable restraints on trade unlawful. It seems likely that national courts in member states wishing to do justice to a case before them for an alleged breach of Article 85 will be tempted to use the same expedient. The existence of paragraph 3 creates a problem, however, since it implies that the only way in which the strict wording of paragraph 1 can be alleviated is by proceeding in accordance with paragraph 3, thereby necessarily requiring a reference to Brussels before justice can be done. This will not only leave the parties to an agreement in limbo while an application for exemption is pending, but also raise complex questions as to the positions of the parties prior to the submission being made to the Commission.

Such problems could be avoided by an amendment to the Treaty to make it clear that agreements that are entitled to exemption are enforceable and that in addition to the Commission's powers, a national court before which an action in which an alleged breach was in issue could apply the criteria set out in paragraph 3 to declare Article 85 to be inapplicable. While it may have been desirable in the early days of the EEC for the application of paragraph 3 to have been confined to a single body so that clear guidelines as to its applicability evolved, this consideration is no longer relevant. The cases decided by the Commission over the past 25 years provide a coherent body of law which can readily be applied by national courts. In any case of difficulty it would still be open to a national court to refer the matter to the European Court of Justice or to require the parties to submit the agreement to the Commission for an exemption. In the vast majority of cases, however, matters would be dealt with much more expeditiously than at present.

John Richards.
Lovell White & King,
21-24, High Holborn, WC1.

Performance payment bonus

From Mr P. Brown

Sir,—Before too many high flyers seek the top spot at the UK subsidiary of a U.S. company in the expectation of enjoying the 30 per cent bonus and salary premium suggested by the Jobs Column (September 19), a word of warning.

While the chief executive of the UK subsidiary will almost *certainly* be on a performance payment bonus, its rules, usually a return on investment target, will be tougher than the achievement of budget criteria more often applying in British companies.

In addition they will find their U.S. colleagues' attitudes to perks, in particular company cars and hefty additional pension contributions, very *different* to the à la carte remuneration policies increasingly available to managing directors of domestic companies.

They should also beware the world wide management bonus pool in which cyclical swings can produce no bonus at all in the best UK profit years and extraordinary payments in years when the U.S. is awash with profit but the UK subsidiary is way below its targets.

Peter Brown,
Reward Regional Surveys,
1 Mill Street, Stone, Staffs.

Encouragement for the arts

From the Director,
British Theatre Association.

Sir,—How culpable a new leader would be thought if the first major speech to the Press (September 18) undermined those involved, gave no hope of Government support and, as one responsible for development, stated that every penny *given to the organisation* would only lead to it wanting two. We have reached a strange state of affairs when we appoint a Minister for the Arts who does not recognise the contribution that is made to this country by the arts, both socially and financially.

If any leader really believes in the body he serves, that body will flourish. Indeed, is that not Mrs Thatcher's very maxim? With no respect, no help and no encouragement to succeed, how can the arts be made to flourish?

Jane Hackworth-Young,
9 Fitzroy Square, W1.

A way to cheaper house prices

From Mr R. Mernane.

Sir,—Mr N. W. Bowie (September 19) is correct in his assertion that the only way to cheaper house prices is to increase the supply of land.

His suggestion, however, that the solution is for general government to "zone more (presumably green belt) land for residential use . . ." falls wide of the mark. A great deal of highly suitable land lies unused throughout the south east and particularly in Greater London — much of it in the hands of local authorities.

Surely, Sir, what is required is for central government to encourage existing landowners to put their vacant land to its maximum permitted use, possibly by levying a stiff annual charge on all such land.

The economic effect of this would be that land would become cheaper to buy and dearer to hold.

Richard Mernane,
4 Manor Road, SW20.

Changing the use of land

From Mr A. Harper

Sir, — Mr Bowie (September 19) says that land prices are governed by supply and demand. To a degree this is true, but in one unique feature land differs from all other markets because its effective supply is fixed.

It is unrealistic to believe that the mere adjustment of land use zones can seriously operate to bring land prices down to any significant degree or for any sustained period. The reason for this is simple.

The effect of our systems of land tenure and taxation combine to encourage all holders of land to operate a passive cartel. *No land holders wants to* depress prices and if there are any signs of falling land prices potential sellers will tend to postpone such disposals until prices recover.

Rezoning land use may technically increase supply for given *activities but it does not necessarily* make a land holders a seller.

Arnold J. Harper.
31, Russell Road, SW19.

Sleeping in Japanese style

From Dr P. Kornicki

Sir, — Carla Rapoport began her survey of the Japanese economy (September 16) with such a misleading statement that I could hardly bring myself to read the rest of her article. "In the world's second richest industrialised democracy, more than 50 per cent of the people still sleep on the floor. Japan's tradition of austerity, even in the face of increasing wealth, has assured continued economic prosperity." So began her article, but sleeping on the floor in Japan has nothing whatsoever to do with austerity.

Part of the problem lies in the word "floor," which conjures up images of uncomfortable student nights. The idea of sleeping on a carpeted floor, which dirty shoes walk across all day, is no more appealing. But of course the Japanese are not perpetual students dossing down in their own houses, and the so-called "floor" that they sleep on is comfortably matted and never sees a shoe. With good bedding, sleeping in the Japanese style is not so much an austere experience as a luxurious one, and one that is far less likely to lead to orthopaedic problems than the beds that Ms Rapoport presumably feels to be the natural place for sleeping man or woman.

It is surely time for information about Japan to attempt to free itself of European prejudices. The claim a few *years ago that Japan was* a nation of workaholics living in rabbit hutches is not only offensive but simply wrong, just as it would be to assert (from examples I have come across in Japan) that the English are easily satisfied with second-best, *because many of us live in old* houses, or that we have low standards of personal hygiene, because we are happy to lie in dirty bathwater. In Japan people do things differently.

Dr P. F. Kornicki.
56 Carlyle Road,
Cambridge

Bolstering small businesses

From Mr E. Wood

Sir,—Mary Berg (September 20), in her role as chief economist of the Society of Motor Manufacturers and Traders, may be grinding an axe in her diatribe on government encouragement of small business. For many years, successive Governments have supported large firms by subsidies, grants, loans and less obvious policies such as an education system that disregarded the needs of people who wanted to start their own business. Despite the current interest in small firms, my guess is that far more government resources are devoted to the needs of large firms than to the needs of small business.

Promoting the interests of large firms is administratively easier for a government than dealing with the multifarious needs of small firms. The argument that direct support for large firms helps their small firm suppliers indirectly was put to me some years ago by a senior civil servant then in the small firms division of the Department of Industry. You might just as well say that pouring water into a large river helps the streams that feed into it.

When a Government gives help to large firms, where does the money come from? The answer is that it comes from other wealth creating enterprises including many small firms.

For too long, large firms in Britain had the wind in their favour but failed to make good use of it. Now that small business is being given long overdue encouragement, Mary Berg should wait until the new policies have had time to work their way through the economy —say, 20 or 30 years—before moaning about it.

E. C. Wood.
27, Townscliffe Lane,
Marple Bridge,
Stockport, Cheshire.

UK voting patterns

Alliance finds its heartland

By Peter Riddell, Political Editor

THE SDP/Liberal Alliance is riding high in the opinion polls —and for the first time there is evidence that it has carved out a distinctive core of support far removed from the ephemeral Liberal protest vote of the past.

The emergence of an identifiable Alliance voter has major implications for the electoral strategies of all parties and for the type of seat which the SDP and Liberals may win.

The clearest evidence comes from a new study based on interviews with nearly 4,000 voters just after the 1983 general election. (How Britain Votes, by Anthony Heath, Roger Jowell, and John Curtice, to be published by Pergamon Press this week, price £15.50 hardback and £7.95 paperback.)

In the 1960s and 1970s, the *Liberal vote was amorphous.* There was a large turnover of support, with, for example, less than half the people who had voted Liberal in February 1974 turning out for them again in the election that October. Similarly, in that period, the Liberal *vote had no distinctive social* base nor any unifying political outlook.

But in the 1979 election, and particularly in 1983, a heartland of Liberal and then Alliance support began to appear. Contrary to previous analysis, there *is little evidence of a loosening* of class loyalties or cohesion. Much more significant has been a major change in the class structure.

Even in 1983, nearly a half of the working class, consisting of manual employees in industry and *agriculture*, voted Labour (in turn accounting for 55 per cent of the party's total votes). Labour's problem is that this group has declined from 47 to 34 per cent of the electorate in the past two decades.

By contrast, the *salariat*, defined as managers, administrators and professionals, has risen from 18 to 27 per cent of the electorate — and only 14 per cent of them voted Labour in 1983. But 31 per cent supported the Alliance (in turn accounting for 35 per cent of *its* total votes).

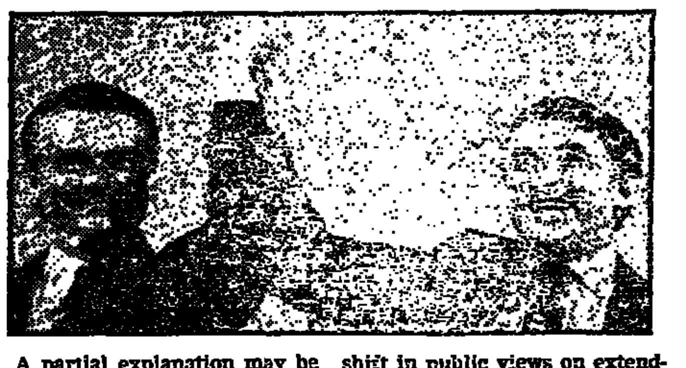
However, these social changes account for only about half the fall in the Labour vote in the past two decades. On their own, these movements do not account for the big rise in the Alliance vote, since the growth of the salariat should also help the Tories.

HOW THE CLASSES VOTED

[1983]

	Per cent of electorate	Cons	Lab	Alliance	Other
Salariat	27	54	14	31	1
Routine non-manual	24	46	25	27	2
Petty bourgeoisie	8	71	12	17	0
Foreman and technicians	7	48	23	25	1
Working class	34	30	49	20	1

Source: How Britain Votes



A partial explanation may be the rising number of people with educational qualifications. For instance, in 1983 the Alliance took 41 per cent of the votes of university graduates and 33 per cent of *those in the salariat with one* O level or above. These social changes have been reinforced by movements in public views and attitudes towards favouring the Alliance.

The authors have developed a two-dimensional approach. *One axis is government* intervention versus free enterprise and the other is authoritarianism versus liberal social values. Labour voters tend to be concentrated in the interventionist liberal corner and Tories in the free enterprise authoritarian corner. Alliance support is strongest among those favouring the mixed economy but also the welfare state, civil liberties and internationalism; these views are associated with the educated salariat.

Consequently, the rise of the Alliance can be linked with the growth of a "new" educated middle-class sharing its values. However, equally significant has been an increase in public support both for free enterprise values and for a liberal social approach.

Since the mid-1960s there has, for example, been a marked shift in public views on extending nationalisation now (backed by 18 per cent against 28 per cent in 1964) and privatisation (supported by 42 per cent against 21 per cent previously). This is a far larger movement *than can be explained* by changes in the class structure alone. The authors suggest that "Mrs Thatcher has made converts to the free enterprise philosophy," particularly among latent supporters in the salariat and petty bourgeoisie.

There has *also* been an increase in support for the liberal social values such as abolition of the death penalty and equal opportunity. This can be linked with the growth of sixth-form and higher education. The net effect of both *these shifts has been an increase* in the free enterprise/liberal values area of potential Alliance support, possibly of 5 percentage points.

However, the authors argue that the Alliance has not yet clearly established itself as the main party of professional and technical workers in the way that Labour and the Conservatives are the dominant parties of the industrial worker and the entrepreneur and manager respectively.

The Alliance has fallen short of the other parties in mobilising its potential support. The absence of an overriding Alliance *principle which* unites its supporters and distinguishes them from Tory and Labour backers may explain the relative paucity of strongly committed Alliance supporters. But if the Alliance could secure the same proportion of its heartland vote as the other parties it could expect to win 5 to 10 percentage points more votes, largely at the expense of the Tories.

Some of these findings have already been discussed by Alliance leaders and have been reflected in Dr David Owen's repeated stress on the social *market economy and on winning* and retaining the support of traditional Labour voters who backed the Tories in 1979 and 1983. The authors suggest that it might be rational for the Alliance to move more in a free enterprise direction while retaining its current approach to liberal social values since the votes it might win from the Tories by doing so should more than make up for those it might lose to Labour.

There are also snags for the Alliance. This strategy may be at the expense of giving up earlier ambitions of replacing Labour and attracting traditional working-class voters. However, the Alliance has to attract such support if it is to prevent a Labour revival from undermining its hopes of winning SDP target seats such as Milton Keynes, Stevenage and Swindon.

The Heath/Jowell/Curtice view is partially challenged by some Alliance leaders who argue that many of their inner-city supporters in, for example, Tower Hamlets, Islington and Lambeth do not fall neatly into a free enterprise/liberal category. They may favour free enterprise but they also back traditional family values and tough police action against crime rather than a liberal approach. The Liberal activists' view has been that it is possible to win working-class support by taking up local grievances and offering an alternative to the partnernalist approach of some Labour councils.

The message is not all bad for Labour. The party may be able to revive and does not have to take the existing distortion of values and attitudes as given; Thatcherism is not irreversible. But the authors suggest that an appeal to social justice rather than to class struggle has more hope of success.

In short, there is still all to play for in a three-party electoral system.

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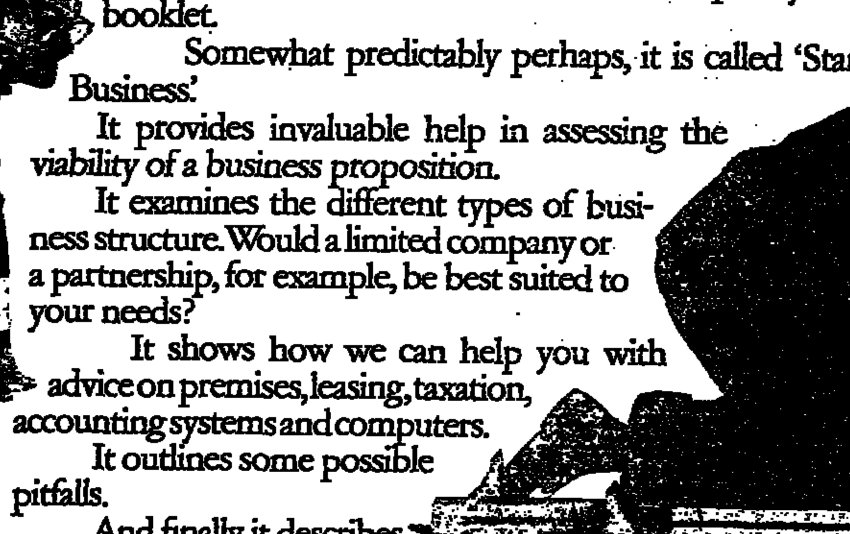

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OECD WARNS OF POST-WAR PEAK IN UNEMPLOYMENT NEXT YEAR

Europe's jobless 'to reach 11%'

BY DAVID HOUSEGO IN PARIS

UNEMPLOYMENT in Europe is likely to reach a post-war peak of 11 per cent of the labour force, a total of 19.5m people, according to a new study of the Organisation for Economic Cooperation and Development (OECD) published yesterday.

The continuing rise in European unemployment, the secretariat says is the main reason for the renewed upward trend among the industrialised nations as a whole, where the number of jobless is expected to rise next year to 31.5m from 30.4m last year. Unemployment levels in the U.S. (7.5 per cent of the workforce) and Japan (2.5 per cent) are expected to remain stable this year and next.

Presenting the secretariat's annual employment outlook, Mr Ron Gass, head of the OECD's educational and social affairs department, said the most unsatisfactory feature of the present situation was the continuing high levels of youth unemployment, which are not expected to drop below 16.75 per cent.

The most clear-cut recommendation that the secretariat makes towards creating new jobs is to urge governments to accelerate the establishment of new companies. But while the secretariat sees a clear link between the creation of new companies of all sizes and new employment, it is more doubtful whether high employment growth comes from small companies, as British or U.S. experience has suggested.

The secretariat says that public support should be focused on encouraging new companies rather than just smaller ones. It urges policies that are conducive to risk taking and the encouragement of research and venture capital.

It also pours some cold water on long-held assumptions that a decline in real labour costs creates new jobs. Since 1982, European real labour costs have grown at an annual average rate of under 1 per cent – close to the U.S. rate – and in some countries have been stable or have declined. The OECD thus argues that other reasons must be found to explain Europe's worsening unemployment situation. It points to the impact of restrictive anti-inflationary policies as "undoubtedly a factor."

The secretariat is equally doubtful of any close relationship between flexibility in wage structures and new jobs. It says that the U.S. has experienced a substantial, widening wage structure in manufacturing industry, while in Canada, it has narrowed. But employment in manufacturing in Canada has increased more than in the U.S.

The OECD figures show a widely differing picture of the growth in unemployment in Europe. The country which has the largest increase in the number of jobless is France, where unemployment will grow from 10.5 per cent this year to 11.25 per cent next year. In West Germany and Britain unemployment will fall marginally.

Widely differing performances are also evident in the pattern of youth employment. The number of those aged under 25 with jobs fell overall by 1 per cent in Europe last year. The decline, however, was much sharper in France where the number fell by 8 per cent and in Italy (3.5 per cent). But youth employment in Britain rose by 2 per cent, and there were also slight rises in West Germany, Norway and Sweden.

The secretariat also expresses concern that long-term unemployment is still on the increase and says that many of those who became jobless during the last recession have remained in an "unemployment trap" for three years or more.

Murdoch to buy rest of Fox

By William Hall in New York

MR RUPERT MURDOCH, the Australian-born publishing magnate, has agreed to buy the remaining 50 per cent interest in 20th Century-Fox Film Corporation for $325m from Mr Marvin Davis, the Denver oil man.

Mr Murdoch's News Corporation bought a 50 per cent stake in the Hollywood film studio in March for $250m and there has been considerable speculation in recent weeks that he would buy the rest of the group.

The sale of Mr Davis' remaining half-share in one of the most famous Hollywood names marks a further step in Mr Murdoch's attempt to establish one of the world's biggest media groups.

Earlier this year he made a $1.55bn bid for six U.S. television stations in conjunction with Mr Davis, but the partnership did not last long and Mr Murdoch later agreed to take full control assuming his bid was cleared by the U.S. Federal Communications Commission.

Mr Barry Diller, who was brought in recently to revamp 20th Century-Fox, has played a key role in Mr Murdoch's planned move into the U.S. television industry. His success as a producer of movies for TV is expected to be an important element in Mr Murdoch's plans to revive the flagging fortunes of 20th-Century Fox, which has been losing money for several years.

Under the agreement Mr Davis and members of his family will sell the remaining 50 per cent interest in TCF holdings, the parent of 20th Century-Fox, to a subsidiary of News Corporation.

As part of the deal 20th Century-Fox will transfer to a real estate partnership controlled by Mr Davis its entire interest, subject to all liabilities, in Pebble Beach Company and a 2.7 net acre parcel of real estate on the Fox studio property in Century City, California.

In turn, the Davis partnership will transfer to Fox its entire interest, subject to all liabilities, in the remaining portion of the Century City studio property consisting of about 54 acres.

THE LEX COLUMN

Beating about the dollar bush

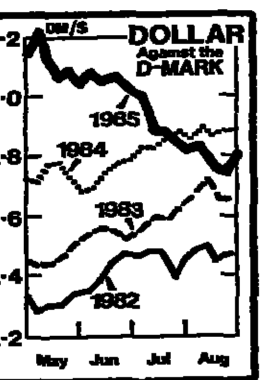
The group of five jet-lagged finance ministers should be feeling that their un-relaxing weekend in New York was not entirely wasted. Yesterday's fall in the dollar was marked enough to show that currency markets had taken the joint announcement seriously, but not so hysterically as to compete in the liquidation of dollar holdings.

One difference between this latest exercise and some previous efforts to steer the foreign exchange market – on top of the meeting's well-staged theatricality – was the fact that this time the U.S. was not merely host but prime mover. In addition, there is a new pattern of successful intervention, marked out by the Bundesbank earlier this year, compared with the pieties of the summits at Versailles, Williamsburg and London, our chart suggests that New York was played out against a more favourable backdrop.

If the currency markets were impressed, debt markets on both sides of the Atlantic appeared still to be withholding their judgment. The Federal Reserve has evidently decided long since that it is much more worried about GNP than any monetary target, but it did no harm for the markets to receive this message once again on headed notepaper.

What the Fed (or anyone else for that matter) has yet to explain is how the dollar and U.S. interest rates can be simultaneously held down and yet permit the Federal deficit to get funded. Though there was some recovery in the short end of the U.S. bond market yesterday, the main effect seemed to be an overall steepening of the yield curve – discounting funding pressures ahead and reflecting the uncomfortable fact that suppressed inflation must come into the open when the dollar rate falls.

The parochial course of UK interest rates does not seem to have been greatly changed by the latest intervention pact. Although a strengthening rate of sterling against the dollar presented the authorities with a knee-jerk opportunity to tap the gilt-edged market, it cannot any longer be the sign for a general relaxation of short-term UK rates. Any thoughts of a base rate cut ahead of the Conservative Party conference must have receded; Mr Lawson cannot now afford to be seen rocking the boat. Moreover, it becomes hard for the gilt-edged market to see what variables now matter to the UK authorities; after New York the exchange rate can no longer be permitted to float (at any rate downwards) while broad money was already a lost cause.



It in any case matters much more to the success of the global anti-protectionist manoeuvre that the Japanese and U.S. administrations – proprietors of the two large offsetting imbalances – can deliver the right complementary fiscal policies to give the promised currency intervention some long-term grip. More immediately, currency speculators will surely be testing the determination of central banks by bidding the dollar back up again, having first taken out some necessary insurance in the futures markets.

United/Fleet

Technical debates about accounting treatment are becoming quite the rage in takeover battles. TI Group's advisers have done their utmost to denigrate the policies adopted by Evered and yesterday Fleet Holdings weighed in with a detailed critique of the United Newspapers approach. The implicit argument of each defending company is that the track record reported by its opponent has been flattered by a less than rigorous interpretation of accounting standards.

As the outcome of both these contests may be determined by the readiness of institutions to underwrite a hefty offering of the bidder's shares on the basis of the reported track record, accounting treatment is no mere nicety. Fleet's document does not establish – or suggest – that United has behaved improperly but it does convey the impression of a group which makes the most of accounting standards.

United's profit on the sale of its interest in Trident Television was not, for example, spelt out in its interim statement. The profit was quite correctly taken below the line, but the reader would scarcely have been aware that a host of unspecified extraordinary debits had been netted off against it.

Similarly, United's decision to equity-account its holding in Fleet takes both the spirit and the letter of the relevant standard to the limit. And, while United is not yet obliged to amortise or write off the goodwill in its balance sheet, it might at least tell shareholders what approach it has in mind.

Evered

Those optimists in the UK financial institutions expecting yesterday's impromptu interim results from Evered to coincide with a bid for TI were regaled instead with a set of figures showing the group on its best behaviour as well as a bit of chat about Management Style. Spectacular profit increases before tax – this time of 130 per cent to £2.5m – are becoming rather the norm with Evered; and a growth in earnings per share of over 40 per cent was aided by the slew of UK tax losses in the Evered companies as well as lower taxable U.S. profits.

But Evered is still a little enigmatic for a competitive comparison with TI's modest interim results; after all, the return on capital in Evered's management accounts may be high, but the asset write-down in Brockhouse's last published accounts have given the City of London pause in assessing what this all means. What does appear from yesterday's results is that Evered, when confronted with difficulty, can react swiftly to restore margins – whether in UK metal-bashing or in finding customers for casings other than a depressed U.S. computer industry.

The rights issue has left Evered with net debt of a mere £18m on an asset base of three times that; but the share price, at 237p down 3p, is still only at a modest premium to the rights issue price. It could be that the 20 per cent TI holding is depressing the price – but that merely highlights Evered's problem in making a bid for a company so much larger. A share offer, or a cash-underwritten offer, would be so overflowing with TI as to require an almost mystical belief in Evered's Management Style by any TI holder.

UK oil to sell at any price, says Shell chief

By Dominic Lawson in London

NORTH SEA oil producers will not cut back on planned production targets no matter what happens to oil prices, Mr Bob Reid, chief executive of Shell UK, said yesterday. They would "sell their oil at whatever price the market offered."

Mr Reid's speech, delivered to an oil industry seminar organised by Arthur Andersen and International Thomson, appears to be a direct rebuff to Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister. In a speech in Oxford 10 days ago Sheikh Yamani warned of an oil price collapse to about $15 to $18 a barrel next spring, unless non-Opec oil producers such as the UK cut back.

Mr Reid warned that any British Government attempt to control North Sea oil output would not prolong the country's self-sufficiency in oil, but would merely result in the cancelling of potential projects.

"Once a block has been let in a licensing round, the investor has a natural expectation that if he finds oil or gas in the block he will be able to produce it at an optimum and bring it to the market," Mr Reid said. "Any attempt to interfere with that process will cause the investor to draw in his horns."

Not all North Sea producers share Shell's view that the UK should steer clear of production controls designed to assist the efforts of the Organisation of Petroleum Exporting Countries (Opec) to prop up the oil price.

Mr Frederic Hamilton, chairman of Hamilton Oil Corporation, said: "The North Sea should offer a 10 per cent production cutback. Opec means nothing to me, but we have too much product at the moment." Hamilton Oil produces about 19,000 barrels of oil equivalent daily from the North Sea.

The British Government's thinking is currently much closer to that of Shell, and production cutbacks are not being considered, despite Sheikh Yamani's warnings.

Mr Reid conceded, however, that new North Sea projects still on the drawing board would be severely affected by a sharp fall in the oil price since "many would not be economic at $20 a barrel."

North Sea oil companies would place more emphasis on gasfield developments, since the product is sold under long-term contracts which are inherently stable, Mr Reid said. The Shell UK chairman urged the Government, however, to take on powers to prevent the British Gas Corporation, which is planned to be sold to the private sector, from delaying the exploitation of North Sea gas.

The oil industry fears that, with a free hand in the private sector, British Gas will negotiate a major import deal, and use that prospect as a lever to force down the price of supplies from the UK sector of the North Sea.

U.S. criticises India's Airbus order at expense of Boeing

BY JOHN ELLIOTT IN NEW DELHI

THE U.S. embassy in New Delhi yesterday lodged a formal complaint with the Indian Ministry of Aviation after the award at the weekend of an Indian Airlines order worth up to $1.6bn to Airbus Industrie, the European consortium.

The award meant that a letter of intent for a smaller, initial order worth about $560m, awarded to Boeing of the U.S. last year, was being cancelled. The U.S. embassy complained that India did not examine a fresh bid made by Boeing at the end of last month with the same interest and attention that it gave when the winning Airbus offer was first lodged last October.

Mr R. Norton, an executive vice-president of Boeing, is expected to arrive in New Delhi today on a routine visit and will decide after consulting U.S. officials and his own executives whether to press the matter further with the Indian Government. There are some suggestions that Airbus has cut its overall price well below a generally publicised figure of about $37m an aircraft, although Airbus denies that.

U.S. officials also argue that the Indian Government has not given sufficient weight to the letter of intent issued by Indian Airlines to Boeing in June last year and are pointing out in New Delhi that such a document is seen virtually as a full contractual obligation in the U.S.

Boeing's 757 was chosen last year but has now been displaced by the Airbus A-320, which has yet to fly. The last Boeing offer, which the company believes received only cursory study, was for the Boeing 737-300.

The main attraction of the Airbus offer, in addition to its low overall price, is that Airbus is to cover the cost of India's leasing 12 aircraft before the A-320 arrives in 1989. That means that India will be receiving the latest – though so far unproven – technology. It will also be able to defer heavy capital payments for four years at a time when the country's financial resources are stretched.

It would therefore be difficult for Boeing to persuade India to spend money buying new 737-300s while it is waiting for the Airbuses to arrive.

The decision to switch the order from Boeing to Airbus was taken personally by Mr Rajiv Gandhi, the Prime Minister, despite considerable pressure from the U.S., including a direct appeal from Mr George Bush, the Vice-President, when Mr Gandhi visited Washington this year.

There is a risk that the decision may make U.S. and other companies more cautious about operating in a country that is already renowned for being a tough negotiator and often a difficult place in which to operate.

But Mr Gandhi has presumably calculated that India's rapidly expanding industries and the opening up of its economy are sufficiently large attractions to outweigh any short-term disadvantages.

London seeks firm commitment on Saudi bomber purchase

BY RICHARD JOHNS AND BRIDGET BLOOM IN LONDON

BRITAIN is aiming for a strong commitment by Saudi Arabia to proceed with the purchase of 48 Panavia Tornado fighter-bombers and 30 Hawk light combat/trainer aircraft.

The deal, announced earlier this month, will now also include 30 PC9 basic trainer aircraft, made by Switzerland's Pilatus group and believed to be worth some £45m ($64m).

London has drawn up an outline agreement for initialling on Thursday by Prince Sultan, the Saudi Defence and Civil Aviation Minister. Such a document would represent a stronger commitment than a mere letter of intent of the kind that the Saudis signed last November for the supply by Dassault-Bréguet of France of 46 Mirage 2000 aircraft.

That amounted to nothing when in July the Saudi Ministry of Defence and Civil Aviation eventually – and without explanation – lost interest in the prospective oil barter agreement with the French.

British officials are keeping their fingers crossed until the Saudis sign the agreement. They are now optimistic, however, that the prospective £3bn-plus deal, including maintenance and training, with British Aerospace (BAe) under the framework of a government-to-government agreement, will proceed smoothly.

Confidence about a successful outcome has been greatly strengthened by Mrs Margaret Thatcher's initiative in inviting to London a joint Jordanian-Palestinian delegation, including two members of the Palestine Liberation Organisation's executive committee, to meet Sir Geoffrey Howe, Foreign Secretary. Riyadh is likely to be positively influenced by such a pro-Arab move.

Israel accused Britain of having "deviated from Western democratic countries' common position" by planning to sell sophisticated arms to Saudi Arabia and inviting two leaders of the Palestine Liberation Organisation to London for talks. **Page 5**

Officials emphasise the British Prime Minister's personal commitment in selling, the Tornado built by the Panavia consortium formed by BAe, Messerschmitt-Bölkow-Blohm of West Germany and Aeritalia of Italy.

It is understood, meanwhile, that the Saudis do not plan to base the aircraft at Tabuk, in the north, where they would be vulnerable to "pre-emptive" Israeli retaliation. Jerusalem's vociferous objections to the proposed sale are based largely on perceived threat posed by the ground-attack version of the sophisticated combat aircraft.

It will be a matter of months before a detailed agreement can be worked out, including the means of payment. As yet, there is only an understanding, but no clear-cut accord that a large part of the bill will have to be paid for in crude oil. Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, is believed to be strongly opposed to any such arrangement.

The initial downpayment will be made through letters of credit and any exchanges involving oil would not take place until 1987 or so, when, it is hoped, the market might have recovered and the financial squeeze on Saudi Arabia might have eased.

According to the defence magazine Interavia, British Aerospace, which was teamed with Pilatus in this year's competition to supply the British Royal Air Force with a basic trainer, engineered the inclusion of the PC9 in the new Saudi deal.

The sale of the Swiss aircraft seems bound to anger Short Brothers, the Belfast aerospace group, which with Embraer of Brazil won the RAF competition with the Tucano trainer.

Shorts had hoped for big export orders for the Tucano after its entry into service with the RAF in 1987. That, however, will be too late to meet the apparent Saudi requirement for a turboprop trainer next year.

Saudi PC9s are to be part-assembled in the UK. The outline agreement with Saudi Arabia is believed to envisage more being procured at a later date. BAe will be responsible for maintenance and training on the Saudi aircraft.

Paris lifts research allocation by 14%

By David Marsh in Paris

FRANCE'S civil research and development spending is set to rise by 14 per cent next year, in contrast with the near stagnation in overall government expenditure announced in last week's budget.

M Hubert Curien, the Research Minister, also made clear that the bulk of the FFr 1bn ($115m) that France was earmarking next year for the Eureka technology cooperation programme would go on electronics and computer projects.

Total civil research spending next year, split between the Research Ministry and a number of other government departments, will rise to FFr 42.7bn from FFr 37.4bn, according to the Government's plans. This includes the extra cost of an expanded tax credit scheme to boost corporate research, planned at FFr 1.04bn in 1986 compared with FFr 400m this year. It also includes FFr 700m of external borrowing.

Research spending may rise by less than the forecast amount as a result of post-budget corrections to programmes. But the Socialist Government's overall commitment to spare research from the spending axe wielded in other areas has none the less, been renewed for another year.

Total French research and development spending, including roughly FFr 24bn of military research and spending by universities and companies, was likely to rise to about FFr 115bn next year from FFr 104bn this year, M Curien said.

The FFr 1bn Eureka financing – announced by President François Mitterrand in July – will include only FFr 150m in direct technology support funds from the Research Ministry budget. A total of FFr 400m is to come from the budget of the Posts and Telecommunications Ministry, with FFr 150m coming from spending allocated to scientific research institutes. A further FFr 300m will be made available in subsidised loans from the Government's Industrial Modernisation Fund.

Along with projects to combine European forces in areas such as electronics, M Curien said France was proposing that Eureka should include medical and agricultural programmes where markets existed in the Third World.

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		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	26	79	Dubrovnik	S	28	82	Malaga	F	25	77	Salzburg	S	26	79
Akrotiri	S	32	90	Faro	S	27	81	Malta	F	23	73	Seoul	C	21	70
Algiers	S	27	81	Florence	S	28	82	Manila	S	33	91	Singapore	F	27	81
Amsterdam	F	19	66	Frankfurt	C	22	72	Miami	S	31	88	Stockholm	F	11	52
Athens	S	26	79	Funchal	F	25	77	Milan	S	17	63	Strasbourg	S	26	79
Bahrain	S	35	95	Geneva	S	23	73	Moscow	C	6	43	Sydney	S	19	66
Bangkok	R	30	86	Gibraltar	F	25	77	Munich	S	25	77	Taipei	S	32	90
Barcelona	S	26	79	Guernsey	C	16	61	Nairobi	F	24	75	Tangier	C	21	70
Beirut	S	31	88	Helsinki	C	11	52	Naples	S	30	86	Tehran	–	–	–
Belgrade	S	29	84	H. Kong	C	29	84	New Delhi	F	32	90	Tel Aviv	S	31	88
Berlin	F	14	57	Innsbruck	S	23	73	New York	C	24	75	Tenerife	S	26	79
Biarritz	F	22	72	Inverness	C	13	55	Nice	S	25	77	Tokyo	R	17	63
Blackpool	C	16	61	Istanbul	S	21	70	Oporto	C	20	68	Toronto	C	25	77
Bordeaux	S	24	75	Jersey	C	16	61	Oslo	S	12	54	Tunis	–	–	–
Brussels	F	19	66	Jo'burg	S	24	75	Paris	C	21	70	Valencia	S	27	81
Budapest	F	25	77	Las Palmas	S	25	77	Prague	F	17	63	Venice	S	27	81
B. Aires	R	17	63	Lima	C	18	64	Reykjavik	F	9	48	Vienna	F	25	77
Cairo	S	36	97	Lisbon	S	25	77	Rio de J'o	S	25	77	Warsaw	F	13	55
Cape Town	R	16	61	Locarno	S	24	75	Rome	S	30	86	Zurich	S	24	75
Caracas	C	29	84	London	F	19	66								
Casablanca	S	24	75	Los Angeles	S	31	88								
Copenhagen	S	15	59	Luxembourg	C	20	68								
Corfu	S	27	81	Madrid	S	26	79								
Dublin	C	15	59	Majorca	S	28	82								

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Protectionism attacked

Continued from Page 1

Dr Clayton Yeutter, U.S. Trade Representative, said the "war chest" was designed to try to pressure trading rivals to negotiate away such trade distortions.

The Administration will not launch its own trade legislation but Mr Reagan said he would work with the Congress to put in place legislation to protect intellectual property rights including trade in articles that infringe U.S. process patents; improve the anti-dumping and countervailing duty laws to make them more effective in dealing with trade with non-market (mainly Communist) economies; and amend the trade laws to put a deadline on dispute settlement procedures.

Nancy Dunne adds: Mixed credits to help exporters are not a new idea in the U.S. – Congress forced such a programme on a resistant Administration in its 1983 reauthorisation of the export-import bank. Eximbank was ordered to work with the Agency for International Development (Aid) to set up a joint response to foreign mixed-credit offers.

Both agencies, philosophically opposed to mixed credits, moved slowly with Aid, insisting that it had no funds to spare for the purpose

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SECTION II – COMPANIES AND MARKETS

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CHAMPAGNE GROUP'S DIVERSIFICATION PAYS OFF

Moët mid-year profits up 40%

BY PAUL BETTS IN PARIS

MOËT-HENNESSY, the diversified French champagne and cognac group, is bubbling with good spirits despite the disappointing champagne crop this year. The group yesterday reported a 40 per cent increase in first-half pre-tax earnings to FFr 563m ($65m) on sales up 20 per cent at FFr 3.4bn compared with the previous year.

M Alain Chevalier, chairman, said all the main divisions of the company had shown strong performance, and he expected group earnings for the full year to be in line with the target of a 25 per cent rise in profits and a 20 per cent increase in sales over 1984.

The company had also benefited from a return to profit at its Roc cosmetics subsidiary and an improvement in Armstrong Nurseries, the Californian rose producer it acquired three years ago as part of its diversification programme.

Moët-Hennessy last year launched a major restructuring of Armstrong Nurseries, concentrating its activities in Santa Barbara and reshuffling the company's management. The French group set itself a target of three years to return Armstrong to profit.

M Jean-Louis Masurel, one of the group's two managing directors, said Armstrong lost $8.9m last year and was expected to lose around $4m this year. In the first half of this year it lost $2.3m on sales of $9.7m. M Masurel expects Armstrong to continue to improve, approaching near break-even next year and profits in 1987.

The group's champagne and wine division produced a 35 per cent increase in profits in the first half to FFr 280m on a 20 per cent rise in sales to FFr 1.36bn.

The current problems of the 1985 champagne harvest will have no impact on the group's performance this year and are not expected to have any longer-term repercussions if next year's harvest is normal.

The cold weather earlier this year destroyed about 20 per cent of the champagne region's vines, and the yield this harvest is expected to be down to between 5,000 and 5,500 kilos of grapes a hectare, compared with an average of 9,000 kilos in a normal year.

But the good weather this month will produce excellent quality and improve the quantity of the yield, according to M Yves Benard, head of the group's champagne division. None the less, the overall champagne yield will be nearly 50 per cent lower than in a normal year. M Benard estimates the total yield at about 100m bottles for the whole champagne region compared with total sales this year of about 192m to 195m bottles.

However, in contrast to the previous bad harvest, stocks this time are abundant. At the end of July stocks totalled 650m to 660m bottles. This is expected, if 1986 produces a normal harvest, to decline to around 550m bottles next year for the champagne region as a whole.

Demand for champagne on export markets has become "explosive," according to Moët-Hennessy. In volume terms, sales rose 12.4 per cent in the first half, but the group wants to limit the growth in volume for the full year to 6 to 7 per cent to preserve the quality of its stocks in view of the low harvest yield this year.

The cognac and spirits division also saw a 35 per cent rise in first-half profits to FFr 280m on a 26 per cent increase in sales to FFr 1.17m.

The biggest earnings rise came in the group's third major business branch – perfumes and cosmetic products. Pre-tax earnings rose by 56 per cent to FFr 91m on a 15 per cent rise in sales to FFr 794m. This reflected the recovery of Roc and a strong performance by the group's Parfums Christian Dior subsidiary, despite the heavy costs of launching a new perfume called Poison this month.

Indian joint venture for Gillette

By John Elliott in New Delhi

GILLETTE razor blades are to be manufactured in India from the beginning of next year by a joint venture between the U.S. parent company and Poddar of Calcutta. The venture is expected to be the subject of a stock exchange scramble for shares when 48 per cent of the Rs 50m ($4.2m) equity is offered for sale next month.

Gillette will hold 24 per cent of the equity in the new company, Indian Shaving Products, which has built a factory near New Delhi as the basis of its $14m project. It has successfully broken through various traditional Indian barriers, first by securing access with an equity stake in the country's heavily protected but rapidly expanding consumer market. It has also cashed in on increasingly relaxed interpretations of India's trade mark policy and will use its Seven O'clock marque linked with an Indian name which has yet to be announced.

India's stock exchanges have been booming throughout this year, and prices have risen more than 50 per cent. New share issues, especially those linked to names of major foreign companies such as Honda, Mitsubishi and Burroughs have been oversubscribed as many as 150 times.

The markets started to rise when Mr Rajiv Gandhi became Prime Minister last November and received their biggest boost after the Government's spring budget which initiated major tax reforms and encouraged industry to expand.

The number of investors in Indian stock markets has risen from 2m in 1978 to about 8m now and is expected to be as large as 20m by 1990. Many new entrants to the markets this year have been speculators switching out of other trading such as commodities and diamonds. The Government has tried to dampen the price increases by introducing trading restrictions and by ordering public-sector financial institutions to sell shares worth about Rs 500m in recent weeks.

One major example of market enthusiasm has resulted in Reliance Textiles of Bombay, home of India's major stock exchange, raising some Rs 3.8bn from a debenture issue originally planned for Rs 1bn.

But while the rapid expansion of the stock markets is important for the Indian economy and could mean companies have to rely less in future on loans from public-sector banks, it does not have a significant impact on financing plans of foreign companies now entering the country, like Gillette.

EUROBONDS

Fear of currency losses puts damper on new dollar issues

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THREE new fixed-rate dollar bond issues met a mixed reception in the Euromarkets yesterday as the U.S. currency fell following Sunday's meeting of top finance ministers in New York.

Bankers said that moves arising from the meeting to depress the value of the dollar had left the bond market with a familiar dilemma. A fall in U.S. interest rates might be good for bonds, but a fall in the dollar only discourages European investors by bringing currency losses in its train.

In the event it was the second argument that held sway as the market closed weaker, shedding early morning gains of about ⅜ point. Some bankers feared that an easier Federal Reserve money policy might also rekindle inflationary fears, pushing up yields on longer-dated bonds.

Finally, the weight of pending financing operations by the U.S. Treasury depressed two of the new issues, leaving only the repackaged UK government bonds, or BECS, trading well within their fees last night.

The other two were a $100.1m targeted mortgage participation certificate issue from the U.S. Federal Home Loan Mortgage Corporation led by Salomon Brothers with a coupon of 10⅞ per cent, maturity of 2000 and issue 100¼ and a $100m, eight-year, 10½ per cent issue at par for International Paper through Morgan Stanley.

By way of contrast, an issue for BMW Finanz in Australian dollars was a runaway success. This is the first Australian currency issue for two weeks and only the second bond issue ever by BMW in the international markets. Led by Orion Royal and Dresdner Bank the A$50m, five-year deal bears interest at 13 per cent, fees of 2 per cent and a price of 100¾. Last night it was bid at the issue price, a rare feat for the bond market where lead managers normally expect to relinquish some of their fees in order to get the paper away.

The deal may have been helped by the fact that buyers of Australian dollar bonds tend to be central Europeans who favour German names, particularly those of blue-chip corporations, but in the wake of yesterday's dollar weakness high coupon issues in other currencies also received a boost.

Also well-received, for example, was an Ecu 60m, two-tranche issue for Finland's Enso Gutzeit led by Banque Bruxelles Lambert. The deal has a six and an eight-year tranche bearing interest at 9 and 9¼ per cent respectively.

Elsewhere, Bristol and West became the latest British building society to tap the Eurosterling floating rate note market. It is raising £100m through a seven-year issue led by County Bank which bears interest at a margin of ⅛ per cent over three-month Libor.

The first coupon will, however, be paid after six months for regulatory reasons (building societies will only be allowed to pay interest gross from next April) and will bear a higher margin of ³⁄₁₆ to compensate for the smaller availability of six-month funds in the money market.

These terms are more generous than those paid by other societies, but Bristol is only 13th in the size "league". Though its delinquency rate is tiny and reserve asset ration of 4.7 per cent well above the industry average of 3.9 per cent, investor lack of familiarity with the name held the bonds at a discount equivalent to their 30-point fees.

Among other new issues BNP (New York branch) is raising Ecu 150m through a 10-year floating rate Yankee issue managed by Salomon Brothers and carrying interest at three-months Libor hedged through the forward market into Ecus. Nederlandsche Middenstandsbank is raising Fl 125m through a five-year 6.75 per cent Euroguilder issue at par.

Priced yesterday were the Korea Development Bank SwFr 70m issue which carries a coupon of 5⅞ per cent and issue price 99¾ and the Ecu 40m, 10-year SNCI issue which bears a coupon of 9 per cent and issue price 100¾. The coupon on the Korean issue is ⅛ per cent below the indicated yield.

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Fiat expects higher full-year profit after strong first half

BY JAMES BUXTON IN ROME

FIAT, the leading Italian private-sector group, whose sales rose 11 per cent in the first six months of this year, expects "considerably better" profits for the whole of 1985 than in 1984.

Although it gave no profit figure for the half-year, Fiat SpA, the holding company for the Turin-based group, said that its first-half results were "very positive" and better than those of the first half of 1984

Dividends received from subsidiaries were up 74 per cent compared with the first half of 1984 at L272bn ($148m).

Fiat group sales were L13,006bn, a rise of 11 per cent on the corresponding period of 1984. Part of the increase was due to a rise of 19 per cent to L2,349bn in the sales of Iveco, Fiat's long-troubled industrial vehicles subsidiary, and a 27 per cent jump to L323bn in the sales of Comau, Fiat's production systems subsidiary.

The group warned, however, that the increase in sales was achieved in a market subject to intense competition in prices and sales conditions.

Operating profits were L1,215bn for the first six months of 1985, compared with L860bn in the equivalent period of 1984. This represents 9 per cent of sales in the first half of this year, compared with 7.4 per cent in the first half of 1984.

Fiat Auto, the car subsidiary, saw its operating profits rise from 8 to 9 per cent of turnover of L7,462bn (an increase of 10 per cent), while Iveco made an operating profit equivalent to about 5 per cent of sales, compared with around nil operating profits in the first part of 1984.

Net debt fell to L3,000bn on June 30 1984, a drop of L1,600bn on the previous 12 months. The company attributed the drop in debt both to the L675bn increase in capital carried out last year and to more efficient financial managment.

Fiat warned that debt would probably increase again in the second half of this year because of seasonal factors. It would, however, stay below the level of L4,400bn reached at the end of 1984.

Fiat Auto won 13.4 per cent of the European car market overall, but its share of the rising Italian car market was marginally down at 52.5 per cent, although the company said that the volume car sales were in line with those of the first six months of 1984.

Iveco's sales in the domestic market were up by 19.1 per cent compared with the first half of 1984. It sold a total of 16,398 vehicles in Italy.

Sales by the earthmoving equipment division, headed by Fiatallis, were up 19 per cent at L568bn. Unit sales were up by 6.8 per cent at 3,459 vehicles.

Time seeks $400m commercial paper loan

BY OUR EUROMARKETS CORRESPONDENT

TIME Inc, the U.S. publishing concern, is arranging a $400m Euro-commercial paper programme along similar lines to that arranged earlier this year by Dominion Resources, the utility holding company.

The idea is to launch a programme where commercial paper can be sold on a worldwide basis, both in the U.S. and overseas.

Bankers believe such programmes could become increasingly common. Rates on U.S. commercial paper and Euromarket rates have tended to converge, while other barriers between domestic and offshore markets are also being broken down.

Paine Webber International Capital and S. G. Warburg are to be dealers on the new programme.

The Soviet Union's Foreign Trade Bank is, meanwhile, taking advantage of the continuing demand for East European assets to offer a further credit of Ecu 100m, to be led by Société Générale.

The deal is the seventh borrowing by the bank this year and its third in Ecus. The interest margin has been set at ¼ per cent for eight years, and repayments start after a grace period of five years. There is a commitment fee of ¼ per cent and a multicurrency clause allowing drawings to be made in a range of currencies. Bankers expect, however, that the bank will draw the funds in Ecus.

● Admiralty Development of Hong Kong has signed a HK$610m (U.S.$78m) syndicated loan lead-managed by Bank of China, the main Chinese foreign trade bank.

The six-year loan will be used to fund the construction of a 1m sq ft office complex.

General Mills ahead 14% in first quarter

By Our Financial Staff

GENERAL MILLS, the U.S. foods, restaurants and retailing group that has been undergoing a big restructuring, has reported a 14 per cent rise in first-quarter net earnings.

Profits for the three months ended August 25 rose from $43.2m, or 96 cents a share, to $48.9m, or $1.10. In the 1984 quarter, net earnings of $11m from discontinued operations made final net $54.1m, or $1.20 a share. Sales were $1.07bn in the latest quarter.

The company said all the continuing business areas – consumer foods, restaurants and speciality retailing – reported "strong improvement" in earnings.

Meanwhile, said Mr Bruce Atwater, chairman, the spin-off of the company's toy and fashion businesses was moving forward "according to plan."

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Das Steak Restaurant

U.S. drugs group looks for exchange rate improvement

BY ANDREW BAXTER IN LONDON

SCHERING-PLOUGH, the big U.S. drugs group which like many of its rivals has been hampered by the recent strength of the dollar, expects an improvement in the exchange rate environment by the fourth quarter of the current year.

Mr Harold Hiser, chief financial officer, said in London yesterday that the present course of the dollar should produce "fairly favourable comparisons" with European exchange rates by then.

He was speaking in the wake of Sunday's agreement by finance ministers and central bankers of the five big industrial nations on the desirability of "further orderly appreciation of the main non-dollar currencies against the dollar."

Mr Hiser did not forecast a specific impact of a weaker dollar on full-year earnings. However, he pointed out that for the first six months of the year, the company reported net earnings of $106m. This was up 5 per cent from a year earlier including the impact of exchange rates, but 18 per cent higher if currency factors are excluded.

Mr Hiser said the company was "still stuck with problems in Latin America," where profits in local currencies have been reduced significantly on translation into dollars.

On product strategy, Mr Hiser said the company was concentrating its pharmaceutical research spending on four areas: allergic disorders, inflammation, cardio-vascular and infectious diseases. Total company spending on research and development is expected to rise 10 per cent this year to $180m.

Mr Ralph Golby, vice-president for investor relations, said clinical findings reported recently by cancer researchers had validated the potential of the company's two major initiatives in fighting the disease – alpha-2 interferon and flutamide (Eulexin), a treatment for prostate cancer.

Interferon, once hailed as a wonder-drug, is now generally seen as having more restricted applications for specific types of cancer. Mr Golby said the company had achieved "a very high response rate" in hairy cell leukaemia, Kaposi's sarcoma, bladder cancer and venereal warts. Schering-Plough produces interferon under licence from Biogen, the Swiss-U.S. biotechnology company.

● SmithKline Beckman, another big U.S. pharmaceutical group, has authorised the repurchase of up to 5m of its own shares, which at current market prices would cost the company about $320m.

The company recently completed the repurchase of 6m shares but gave no indication of how long it would take to carry out the latest buyback.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

20th September, 1985

Republic of Austria

8 per cent Dual Currency
Yen/U.S. Dollar Bonds Due 1995

Issue Price: 102 per cent.

Issue Amount:	¥25,000,000,000
Redemption Amount:	U.S. $119,700,000

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Richardson-Vicks lifts share target

BY TERRY DODSWORTH IN NEW YORK

RICHARDSON-VICKS, the U.S. health and skin care group which is fighting off a bid from Unilever by purchasing its own shares, has increased the number that it is prepared to acquire from 5m to 7m.

The move came just before the battle for control of the U.S. group was due to move into the law courts, following action by Unilever to try to stop Richardson-Vicks from voting the shares acquired recently by the Richardson family on the takeover offer.

Unilever is also protesting against a proposed issue of new preferred stock which would give preferential voting rights to existing shareholders – an objection which has been given temporary backing by the U.S. courts.

The U.S. group said yesterday that it had already acquired 5m of its own shares in the buyback programme. Because of the resulting diminution of the company's equity, the family holding in the group has risen to around 38 per cent, and if a further 2m shares were acquired, the holding would increase to around 43 per cent.

The size of the Richardson family stake is of crucial importance in the bid battle because the company's by-laws demand that a merger be approved by two thirds of the shares. If Unilever were blocked by the shareholders' vote, it could proceed by trying to achieve boardroom control.

Richardson, which is still run by a descendant of the founder of the company, has launched a determined counter-attack

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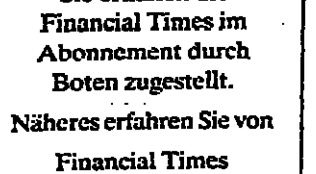

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INTERNATIONAL COMPANIES and FINANCE

This is neither an offer to exchange or sell nor a solicitation of an offer to buy or exchange any security. The Offer is made in the Prospectus dated September 16, 1985, and the related Letter of Transmittals. The Offer is not being made to, nor will it be accepted from, holders of these securities in any jurisdiction in which making an offer or acceptance thereof would not be in compliance with the securities laws of such jurisdiction.

REPSTEEL OVERSEAS FINANCE, N.V.
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11½% Convertible Secured Bearer Notes Due 1996

or

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9 Shares of LTV Common Stock ($0.50 par value)

for any and all of its

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(Guaranteed by LTV Steel Company, Inc.)

RepSteel Overseas Finance, N.V., a Netherlands Antilles corporation ("RepSteel") and a wholly-owned subsidiary of The LTV Corporation, a Delaware corporation ("LTV") is offering to exchange $1,000 principal amount of 11½% Convertible Secured Registered Notes due May 1, 1995 ("New Registered Notes") and 9 shares of Common Stock, $0.50 par value of LTV ("LTV Common Stock") or $1,000 principal amount of 11½% Convertible Secured Bearer Notes due May 1, 1996 ("New Bearer Notes") and 9 shares of LTV Common Stock in exchange for each $1,000 principal amount of the 11½% Notes due July 1, 1988 and guaranteed by LTV Steel Company, Inc. ("Old Notes"). All accrued and unpaid interest from July 1, 1985 on tendered and accepted Old Notes has been taken into account in the Amount and terms of the New Notes.

The New Bearer Notes may not be offered or sold, directly or indirectly, in the United States of America, its territories or possessions (the "United States") or to a United States Person, as part of the distribution of the New Bearer Notes. The New Registered Notes may be offered or sold to United States Persons or non-United States Persons. The New Bearer Notes and New Registered Notes (collectively called the "New Notes") will be guaranteed by LTV on a senior basis.

The New Notes are convertible into LTV Common Stock, initially at a conversion price of $10.00 per share, subject to adjustment in certain events. Interest on the New Notes begins to accrue July 15, 1985, is paid semiannually beginning November 11, 1985, and may be paid, at the option of RepSteel, in cash, in shares of LTV Common Stock, or in a combination of cash and shares of LTV Common Stock. Any shares of LTV Common Stock issued in payment of interest will be valued at between 90 and 75 per cent of the average Sale Price of LTV Common Stock over a ten-day period.

The Offer will expire 5.00 P.M., New York City time, on October 9, 1985, unless extended by RepSteel.

Old Notes tendered pursuant to the Offer, unless previously accepted for exchange, may be withdrawn any time after 5.00 P.M., New York City time, December 12, 1985.

The terms and conditions of the Offer are set forth in the Prospectus dated September 16, 1985. Requests for information or copies of the Offer Prospectus should be directed to:

Exchange Agent:
Banque Générale du Luxembourg S.A.
14 Rue Aldringen
Luxembourg
Telephone: 4799-452

Information Agent:
D. F. King
60 Broad Street
New York, New York 10004
212/269-5560 (collect)

The LTV Corporation:
E. T. O'Mearer
Director, Investor Relations
LTV Center
2001 Ross Avenue
Dallas, Texas 75265-5003
214/979-7749 (collect)

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for September 23.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	102½	103	+0¼	+1⅛	10.07
Amex Credit 12⅝ 89	150	105⅝	106⅛	0	+0⅛	10.28
Atlant Richfld 10¼ 90	250	93⅝	94⅛	+0¼	0	11.10
Australia Com 11¼ 90	100	103¼	103¾	+0⅜	+0¼	10.75
Australia Com 11 95	200	101¾	102¼	+0¼	+0⅛	10.64
BP Capital 11⅛ 92	150	102	102½	+0⅛	0	10.59
Canada 11½ 90	500	104⅝	105⅛	+0⅛	−0⅛	10.06
Canadian Pac 10¾ 93	100	101⅝	102⅛	+0¼	+0⅜	10.37
Canadian Pac 12½ 89	75	107½	108	+0½	+0½	11.38
Chevron U.S.A. 12¼ 89	600	104¼	104¾	−0⅛	0	10.61
Citicorp 10 88	200	99½	100	−0⅛	−0¼	10.09
Citicorp 11½ 95	150	101⅞	102⅜	+0⅜	+1⅜	11.11
Coca Cola 11¾ 91	100	105⅛	105⅝	+0⅛	−0⅛	10.28
Denmark Kingdom 11¼ 89	100	102⅜	102⅞	+0⅜	+0⅛	10.30
Denmark Kingdom 11½ 90	100	103⅛	103⅝	+0⅜	0	10.51
Denmark Kingdom 11½ 92	100	103	103½	+0¼	+0⅛	10.75
E.D.F. 10 95	225	94⅞	95⅜	+0¼	−0⅛	10.82
E.E.C. 9⅝ 90	350	97⅝	98⅛	+0⅝	+0½	10.19
E.E.C. 11⅛ 90	100	102⅝	103⅛	+0⅜	+0¼	10.34
E.I.B. 12 95	200	106¼	106¾	+0⅜	+0⅛	10.85
Export Dev Corp 10 90	100	99¾	100¼	+0½	+0½	9.97
Export Dev Corp 12 89	100	106	106½	+0⅛	+0¼	10.05
Fed Dep Stores 10⅜ 95	100	96⅜	96⅞	+0¼	−0⅛	10.98
Ford Motor Cred 11⅜ 90	100	102⅛	102⅝	+0⅛	−0⅛	10.83
Ford Motor Cred 11⅝ 95	100	101⅞	102⅜	+0⅛	+0⅜	11.22
Ford Motor Cred 11¾ 92	100	102⅜	102⅞	+0⅛	−0¼	11.14
Ford Motor Cred 12 95	100	104½	105	+0⅜	+0⅜	11.18
Gen Elec Credit 10¾ 90	200	100½	101	0	+0¼	10.13
GMAC 10¼ 89	200	100⅝	101⅛	+0¼	+0⅜	9.92
IBM Credit 10⅜ 2000	300	101⅜	101⅞	+0¼	+0⅜	10.14
Kellogg Company 10⅞ 90	100	102¼	102¾	+0¼	+0¼	10.10
Kellogg Company 11¼ 92	100	102⅞	103⅜	+0⅜	+0⅛	10.52
L.T.C.B. 12⅞ 91	100	109	109½	0	−0⅛	10.72
Macy Cred Corp 11¾ 95	100	103⅝	104⅛	+0¼	0	11.04
Merrill Lynch 12¾ 89	100	104⅞	105⅜	0	+0⅛	11.10
Minnesota 11½ 87	100	103⅛	103⅝	−0¼	−0⅛	9.60
Mitsui Trust 11⅛ 90	100	102¼	102¾	+0⅛	+0⅜	10.58
Morgan Guaranty 12⅜ 89	150	106¼	106¾	+0¼	+0¼	10.32
Pru Realty secs 12⅛ 95	548	106⅝	107⅛	+0⅜	0	10.89
Qantas Airways 10⅜ 95	140	98⅜	98⅞	+0⅛	0	10.59
Quebec Hydro 11½ 92	100	104¼	104¾	+0⅜	+0⅞	10.56
Queensland Govt 10¾ 95	100	97	97½	0		10.71
Ralston Purina 11¾ 95	150	104½	105	+0⅛	+0⅜	10.98
Ralston Purina 12¾ 89	100	107⅛	107⅝	+0¼	+0¼	10.42
Saskatchewan 10¾ 92	100	101	101½	+0¼	+0¼	10.44
Saskatchewan 11⅞ 89	100	105½	106	+0⅛	+0¼	10.09
Statoil 10 90	170	99⅜	99⅞	+0½	+0⅜	10.09
S Wales Trsy 11¾ 90	150	104	104½	+0⅛	−0⅛	10.50
Swed Exp Cred 10 92	100	97⅛	97⅝	+0⅜	+0⅛	10.54
Swed Exp Cred 12¾ 89XW	100	107	107½	+0¼	+0⅛	10.42
Sweden Kingdom 10⅞ 90	200	101¾	102¼	+0¼	+0⅛	10.28
Sweden Kingdom 11½ 89	200	103⅞	104⅜	+0⅜	+0½	10.22
Sweden Kingdom 11¾ 94	100	105⅜	105⅞	+0⅜	+0⅛	10.74
Tenneco Corp 10¾ 95	150	99¾	100¼	+0⅛	+0⅛	10.73
Texaco Capital 10 95	300	94½	95	−	−	10.89
Texaco Capital 11⅛ 95	250	100	100½	+0⅛	+0⅛	11.06
Tokai Asia 11½ 95	100	102⅜	102⅞	+0½	+0⅜	11.02
United Tech Fin 10⅜ 95	100	96⅜	96⅞	+0⅛	+0¼	10.95
Victorian Rep 11¾ 92	150	103⅝	104⅛	0	−0¼	10.74
World Bank 10⅜ 95	300	97⅜	97⅞	+0½	+0⅜	10.51
World Bank 12⅞ 94	200	111⅛	111⅝	+0⅜	+0¼	10.82

Average price change On day +0¼ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	106⅝	107⅛	0	+0⅛	6.96
Austria Republic 7⅝ 94	200	105	105¾	+0¼	+0¼	6.75
Baxter Travenol 7¼ 94	200	103½	104¼	0	−0⅜	6.63
Copenhagen 7⅜ 95	150	101⅜	102⅜	+0⅛	0	7.07
Credit National 8⅛ 94	200	107⅜	108⅛	0	−0⅛	6.87
E.I.B. 7¼ 94	300	103¼	104	+0¼	−0⅜	6.70
Escom 8 92	150	95¼	96	+0⅜	+2⅛	8.80
Ex-Im Bk Korea 7⅜ 93	100	99⅜	99⅞	+0¼	+0¼	7.71
Ferrovie Dello Stato 8 91	100	105½	106¼	0	0	6.68
Finland Republic 7 92	200	101¾	102½	0	+0⅛	6.57
Gould Int Fin 7⅜ 91	100	104¾	105½	0	+0⅜	6.50
Ireland 8⅛ 92	150	105¼	106	−0⅜	−0¾	7.02
Japan Fin Corp 7⅜ 91	100	105⅜	106⅛	+0¼	+0¼	6.38
Mitsubishi Hvy 3½ 89WW	300	173⅜	174⅞	+2	+12¼	−12.11
Mitsubishi Hvy 3½ 89XW	300	92⅝	93⅜	0	+0¼	5.74
Mitsubishi Met 3⅛ 89WW	100	106	106¾	−0⅛	−0⅛	1.88
Mitsubishi Met 3⅛ 89XW	100	90	90¾	+0¼	+0¼	5.74
Quebec Hydro 7⅛ 95	200	103⅛	103⅝	+0⅛	0	6.64
Renfe 7¾ 95	100	103⅝	104⅛	+0⅛	0	7.17
Renown 3¼ 90	80	107⅝	108⅝	+0⅛	+0⅜	1.26
Soc Cent Nuclear 7¾ 95	150	101¼	102	+0⅛	+0¼	7.81
Societe Cent Nuclear 8 91	100	106½	107¼	0	−0¾	6.52
Sth African Tran 7⅜ 92	100	93⅜	94⅛	+0¼	+2	8.83
World Bank 7 95	600	† 102	102½	+0¼	+0¼	6.68
World Bank 7¾ 89	100	103⅜	104⅛	0	+0¼	6.46

Average price change On day +0¼ on week +1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¼ 94	100	† 101½	102	−0¾	−0⅜	5.89
Avon Cap Corp 5⅜ 94	130	† 100	100¼	+0⅜	+0¼	5.35
Brit land Comp 6½ 99	75	† 104	104¼	+0⅜	−0⅛	6.06
Council of Europe 6 92	120	† 102¾	103	−1⅜	−1¼	5.50
Creditanstalt 5½ 94	100	† 99¼	99½	−0⅛	0	5.58
Deutsche Bk Fin 5⅛ 95	100	† 101½	101¾	+0⅛	+0¼	5.15
E.I.B. 5⅞ 94	120	† 102¾	103	−0⅛	0	5.46
Gen Occidentale 4½ 94	80	† 103½	103¾	−0⅛	+0¼	4.02
Glendale Fed.S&L 5½ 95	100	† 98¼	98½	−0⅛	−1¾	5.72
I C Industries 5⅝ 94	125	† 102½	102¾	+0⅛	+0½	5.25
Ind Fund Fin 5¾ 94	40	† 101¾	102	−0⅜	−0½	5.48
Int-Am Dev Bk 6⅛ 94	120	† 103½	104	0	+0⅛	5.58
N.Zealand steel 5¾ 96	70	† 99¼	99½	−0⅜	−0¼	5.82
Oberos Kitwk 5⅜ 95	100	† 99½	99¾	−0⅛	+0½	5.42
Ralston Purina 5⅛ 94	125	† 101	101¼	−0⅛	0	5.21
Santos Finance Ltd 6 94	130	† 99¾	100	+0⅛	−0½	6.02
Tokyo Elec Pwr 5½ 93	120	† 100½	100¾	−0⅛	0	5.39
Tokyo Metropolis 5¼ 94	80	† 99¼	99½	−0¼	0	5.33
World Bk 5¾ 94	150	† 101½	102	−0⅜	+0⅛	5.58

Average price change On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Finland Republic 6¾ 90	15	101⅝	102⅛	+0⅜	+0¾	6.25
Gdyr Tr & Rubber 7⅛ 95	25	100⅞	101⅜	+0¾	+0¾	6.95
Mort Bk Denmark 7 92	10	101⅝	102⅛	+0¼	+1	6.67
New Brunswick 7⅛ 95	10	103⅛	103⅜	+0½	+1	6.64
Swed Exp Cred Zero 90	14	72¾	73¼	+0¼	+0⅜	6.48

Average price change On day +0½ on week +0¾

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aust & NZ Bk 12¾ 90SA	100	102¼	103¼	−	−	11.95
Aust Gas & Light 13 92 SA	50	99⅜	100⅜	−	−	13.02
N S Wales Tsy 12⅞ 92SA	75	99⅛	100⅛	−	−	12.94
Sth Aust Govt 12⅜ 91SA	50	94½	95½	−	−	13.90
Amex 10¾ 90 C$	50	99⅛	99⅞	+0⅜	+0½	10.88
CIBC 10¾ 90 C$	75	† 98⅝	99⅜	−	−	11.05
Genstar Fin 11¾ 95 C$	75	99	99¾	−0⅛	+0¾	11.84
Hawaii-Went'th 10¾ 95C$	25	† 95½	96½	+1¼	+1¼	11.43
Loblaw Cos 11⅛ 92 C$	50	† 99½	100⅛	+1¼	+1⅛	11.60
Sears Acc. Co 10⅜ 92C$	75	† 95¾	96¾	−	−	11.43
Winnipeg City 10⅜ 90C$	50	99¼	100	+0½	+0½	10.71
Chrysler Fin Corp 17 90NS	65	93	94½	−0¼	+1½	18.83
K.O.P. 16¾ 91 NS	50	89¾	90¾	−0¾	+1⅛	19.17
Privatbanken 16⅛ 88 NS	50	95	96	0	+0¾	17.73
Creditanstalt 8⅞ 94ECU	68	99⅝	100⅛	+0⅛	+0½	8.89
Morgan Gty 8½ 90 ECU	100	99	99¾	−	−	8.86
Sec Pac Aust 8¾ 90 ECU	100	98⅜	99⅛	−	−	9.07
ITT Corp 7 90 FL	100	101¼	101¾	0	0	6.58
Mabina 7 90 FL	100	101⅝	102⅛	+0¼	+0¾	6.53
Thyssen 7¼ 90 FL	50	101⅞	102⅜	+0⅜	+1	6.73
Wereldhave 7½ 90 FL	75	102	102½	+0⅛	0	6.93
Wessanen 6¾ 90 FL	50	99⅜	99⅞	0	+0½	6.84
IBM France 11⅛ 90 FF	700	98¼	98¾	0	+0¾	11.24
Australia Comm 11 92 £	40	100¼	100¾	+0⅜	+0½	10.86
BP Capital 10⅜ 92 £	50	99⅞	100⅜	+0⅞	+1⅛	10.72
E.I.B. 11⅛ 93 £	50	100½	101	+0⅜	+0⅜	10.94
GMAC UK Fin 10½ 90 £	30	98¾	99¼	+0½	+0½	10.75
Imp Chem Inds 11¼ 95 £	75	100¼	100¾	+0½	+0⅜	11.18
Imp chem inds 10¾ 92 £	75	97¾	98¼	+0½	+0⅜	11.17
Mcdonalds 10⅞ 90 £	40	100⅝	101⅛	+0¾	+1	10.59
Mitsubishi Fin HK 11 90 £	50	99⅞	100⅜	+0⅜	+0⅜	10.93
Privatbanken 11⅞ 92 £	20	100	100½	−0¼	−0⅛	11.78
Rank Xerox 11 92 £	40	99½	100	+0⅜	+0¾	11.02
Royal Ind 10¾ 92 £	60	96⅞	97⅜	+0⅜	+0⅜	11.36
Star Drug Cap 10⅞ 90 £	30	99¾	100¼	+0⅝	+1	10.83
Tricentrol XW 11 92 £	35	95	95½	+0⅜	+0¾	12.04
Trusthouse Forte 11⅛ 90£	50	99½	100	+0⅜	+0¾	11.16
World Bank 11¼ 95 £	100	102	102½	+0½	+0½	10.84
E.C.S.C. 10½ 94LF	100	103⅞	104⅞	+0¼	+0⅜	9.73
Nat Lux Alum 10½ 92LF	600	104¼	105¼	+0¼	+0¼	9.57

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma 5¼ 92	0	† 99¾	100	27/8	8.6	8.61
BankAmerica O/S 5¼ 96	0⅛	100	100¼	3/9	8⅛	8.11
Bankers Trust 5 2000	0	99¾	100	11/8	7.69	7.70
Bankers Trust 5¼ 96	0⅛	100¼	100½	13/11	8.31	8.28
B.F.C.E. 5¼ 99	0⅛	100⅝	100⅝	13/9	10.06	10.01
B.N.P. 5¼ 95 (July)	0¼	100	100¼	22/1	8¼	8.24
C.C.F. 5¼ 97	0	99¾	100	22/8	10⅛	10.04
Chase Man'tn 5 2000	0	99¾	100	12/11	8⅛	8.14
Chase Man'tn 5¼ 2009	0¼	100	100¼	5/9	7.81	7.80
Citicorp O/S 5¼ 96 Sep	0⅛	99¾	100	19/12	11.19	11.20
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	8.69	8.62
Ireland 5¼ 97	0	100	100¼	20/10	8.99	8.98
Ireland 5¼ 99	0	100¼	100½	14/9	10	9.96
Italy, Republic 5 94	0⅛	100	100¼	12/11	8⅞	8.86
Lloyds Bank 5¼ Perp	0¼	100	100¼	9/12	8	7.98
Midland Bank Perp 5	0¼	99⅝	100⅛	19/12	8⅛	8.16
Nat West Perp A 5¼ S	0¼	99¾	100	9/1	8¼	8.26
Nat West Perp B 5¼ S	0¼	99⅞	100⅛	19/2	8.81	8.81
New Zealand 5 97 £	0	99¾	100	14/11	11.50	11.59
Queensland Coal 5¼ 96	0¼	100¼	100½	12/11	9	8.97
Roy Bk Canada 5 2005	0½	99⅞	100⅛	5/9	8⅛	8.13
Roy Bk Scot 5¼ 2005 £	0	99¼	99½	1/11	11.69	11.78
Sweden Perp 5¼	0¼	100	100¼	9/1	8.31	8.30
Tokai 5¼ 99	0⅛	100⅜	100⅝	12/12	8⅛	8.08

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	111⅞	112⅞	+2⅜	3.46
Comcast 7 2000	12/85	23.875	† 103¾	104½	+0½	29.85
Fanuc 3¾ 98	1/84	7032.3	154½	156	+4⅜	36.76
Fuji Hvy Inds 3 2000	9/85	676	101¾	102¾	−	0.21
Fujitsu 3 99	5/84	1320.9	79⅞	80⅞	+1⅜	18.59
Kumagai Gumi 3½ 2000	3/85	600	103¾	103¾	+ 12⅞	2.41
Marui 3½ 99	7/84	1162	129¾	131	+2½	−2.75
Mitsubishi Elec 2⅞ 00	3/85	422	91⅛	92⅛	+1½	2.82
Murata 3½ 2000	7/84	2395	96⅝	97⅜	+4⅛	35.45
Nippon Elec 2⅞ 2000	1/85	1295	85	86	+2⅜	34.07
Nippon Oil Co 3 2000	5/85	923	87¾	88¾	+3	5.98
Oki Elec Ind 3½ 99	10/84	805	86¼	87½	+0⅜	27.16
Orient Leasing 5¼ 98	6/83	2680	95½	97	0	−7.77
Sekisui House 3 99	6/84	612	154	155	+4⅜	3.07
Sumitomo Bank 2¾ 2000	8/85	2142	96⅞	97⅞	+1⅞	15.70
Sumitomo Corp 2⅞ 99	5/84	593	115⅜	116⅝	+3¾	−1.23
Taiyo Yuden 3¼ 2000	9/85	1078	† 82	84	+2	−4.21
Takeda Riken 3⅛ 2000	10/84	7863	† 77	79	+2	32.78
Tokyo Sanyo Elec 3½ 99	12/84	772	93¼	94¼	+2¼	11.30
Toshiba Ceramics 3 2000	4/85	1734.2	90½	91½	+2	11.92
Nippon Oil Co 2⅝ 92 SF	3/84	1052	† 98	99¼	−0⅛	42.21
Nippon Shinpan Co 2 92 SF	3/84	801	† 97	97½	−1	12.53
Asics 5 92 DM	12/83	520	106⅞	107⅞	0	24.18
Sum Realty 6¼ 92 DM	2/83	338	† 323⅛	324⅛	−2⅜	−1.86

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week—Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dte—Date next coupon becomes effective. Spread—Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn—current coupon. Cu. yld—current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day—Change on day. Cnv. date—First date for conversion into shares. Cnv. price—Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem—Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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Mentor creditors fail to agree

BY ROGER SCOTTON IN BERMUDA

THE FIRST meeting of creditors of Mentor Insurance, the Bermuda-based subsidiary of Ocean Drilling and Exploration of New Orleans, has failed to reach agreement about a proposed committee to oversee Mentor's liquidation.

More than 200 banks and reinsurance companies attended the four-hour meeting in Bermuda last Friday but were unable to settle differences over the composition of the key committee.

The creditors are claiming about $178.5m from Mentor, which was ordered into liquidation in June after the Bermuda Government found that the company's capital and surplus position was $7.2m short of the statutory minimum solvency margin.

Funds available to meet these debts amount to about $148m, leaving an estimated deficiency of $30.5m. The creditors include five major U.S. banks, believed to be owed $50m to $60m. The five are Manufacturers Hanover, Bank of America, Irving Trust, Morgan Guaranty and First City National Bank of Houston.

Each of the banks is believed to have asked for a place on the liquidation committee, but this was firmly resisted by reinsurance industry creditors at Friday's private meeting.

The meeting ended with a ballot of nominations for the committee. Mrs Verbena Daniels, Bermuda's official receiver, will now include results of the ballot in a report to the colony's Supreme Court, which will rule on the composition of the group, possibly by the end of the month.

Mr Charles Kempe, the Bermuda-based partner of accounting firm Arthur Young, was appointed joint liquidator with Mr Michael Arnold, a partner in the firm's London offices. Arthur Young has been interim liquidator for the past three months.

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U.S. $150,000,000

Banque Indosuez

Floating Rate Notes Due 1999

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 23rd September, 1985 to 24th March, 1986 the Notes will carry an Interest Rate of 8¹¹⁄₁₆% per annum. The interest amount payable on the relevant Interest Payment Date which will be 24th March, 1986 is U.S. $445.52 for each Note of U.S. $10,000.

Credit Suisse First Boston Limited
Agent Bank

U.S. $100,000,000

GW Overseas Finance N.V.
(Incorporated in the Netherlands Antilles)

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(Incorporated in Delaware)

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 23rd September, 1985 to 24th March, 1986 the Notes will carry an Interest Rate of 8¾% per annum. The interest amount payable on the relevant Interest Payment Date which will be 24th March, 1986 is U.S. $442.36 for each Note of U.S. $10,000.

Credit Suisse First Boston Limited
Agent Bank

DAIWA EUROPE LIMITED
JAPANESE EQUITY WARRANTS SERVICE

ISSUER—Warrant expiry date	Current Market Prices: Wrnt BID (%)	Wrnt OFFER (%)	Share Price (Yen)	Offer Calculations: Premium (%)	Gearing	Premium/Gearing Ratio
AICA KOGYO 17/8/90	20.50	22.00	761	18.19	4.83	3.76
CASIO COMPUTERS 6/3/89	39.00	40.50	1,680	3.93	3.37	1.17
C. ITOH 4/5/89	31.50	33.00	422	7.59	3.70	2.05
C. ITOH 20/1/87	50.00	55.00	422	26.01	2.21	11.76
DOWA MINING 20/7/90	11.50	13.00	700	23.13	7.30	3.17
FUJIKURA CABLE 28/4/89	9.50	11.00	352	22.32	8.06	2.76
HAZAMA GUMI 1/11/89	10.50	12.00	397	31.65	7.54	4.20
J.S.R. 28/4/89	9.00	10.50	369	33.22	7.75	4.29
JUSCO 22/12/88	82.00	86.00	890	17.17	1.89	9.10
KAYABA INDS 15/2/89	18.50	20.00	351	3.93	5.87	0.67
KUMORI PRINTING 20/12/89	20.00	21.50	2,100	40.37	4.27	9.45
MARUZEN 12/2/90	9.00	10.50	475	34.81	8.73	3.98
MINEBA 20/2/89	55.00	60.00	775	56.07	1.73	32.45
MIT CHEMICAL 20/1/87	94.00	99.00	487	31.98	1.50	21.26
MIT CORPORATION 7/11/88	30.00	31.50	650	0.67	4.21	0.16
MIT GAS & CHEM 20/3/89	34.50	36.00	428	4.33	3.55	1.22
MITSUI E/S 15/10/88	11.00	12.50	163	15.78	7.86	2.01
MITSUI E/S 10/12/87	26.00	27.00	163	10.99	4.54	2.42
MIT METAL 10/2/89	79.00	84.00	649	31.40	1.68	18.68
MIT METAL 10/11/89	13.00	14.50	649	22.79	6.70	3.40
MITSUI PETRO 15/2/90	23.50	25.00	438	5.89	5.23	1.13
NIPPON MINING 17/3/89	95.00	99.00	384	51.04	1.32	38.61
NIPPON MINING 15/6/90	11.50	13.00	384	39.08	6.73	5.81
NISSHO IWAI 1/2/89	12.00	13.50	270	17.46	7.27	2.40
NOMURA SECS 31/10/88	67.00	68.50	1,150	4.08	2.38	1.72
OHBAYASHI GUMI 5/4/89	83.00	86.00	463	−0.81	2.15	−0.38
OMRON TATEISHI 31/3/89	8.00	9.50	1,250	99.90	5.62	17.79
ONODA CEMENT 28/2/90	16.50	18.00	360	13.66	6.41	2.13
OPTEC DAI-ICHI 23/2/90	17.00	18.50	648	18.39	6.00	3.06
OSAKA TRANSF 29/1/90	20.50	22.00	529	16.31	5.17	3.15
RENOWN 24/1/89	13.50	15.00	748	19.52	6.50	3.00
RYOBI LTD 25/5/90	12.50	14.00	390	20.43	7.26	2.81
SEINO TRANS 17/3/89	13.00	14.50	1,190	10.22	6.94	1.47
SEIYU STORES 20/3/87	59.00	63.00	706	44.81	1.79	24.96
SONY CORP 26/4/90	15.50	17.00	3,500	47.30	5.10	9.28
SUMI CONST 24/3/89	66.00	69.00	333	−0.75	2.44	−0.31
SUMI HEAVY 24/2/89	25.50	27.00	265	5.57	4.51	1.24
SUMI REALTY 21/11/89	86.50	88.00	945	0.61	2.20	0.28
TOKYO ELECTRIC 14/3/89	7.50	9.00	1,010	50.85	8.13	6.25
TOKYO SANYO 8/6/87	149.00	154.00	613	75.67	0.96	78.84
TOKYU CORP 29/1/90	74.50	76.00	653	−0.60	2.47	−0.24
TOKYU DEPT STRS 20/7/90	20.50	22.00	585	7.34	5.51	1.33
TORAY INDS 6/3/87	26.00	27.50	547	4.52	4.48	1.01
TOYO ENG 28/2/89	53.00	57.00	695	51.34	1.84	27.94
YAMAMURA GLASS 8/5/90	11.50	13.00	450	27.29	7.32	3.73
YAMATO KOGYO 29/1/90	14.00	15.50	600	17.60	6.93	2.54
KOKUSAI KOGYO 19/9/90	17.00	18.50	1,860	21.53	5.53	3.90
SEKISUI CHEM 20/9/90	21.50	23.00	555	12.95	4.96	2.61
RICOH 20/9/90	16.00	17.50	870	19.47	5.90	3.30
MARUBENI 30/9/92	16.00	17.50	383	16.65	6.00	2.77

Reuters Monitor DABF/G/H/I/J - Further information from: Freddy Glock, Beverly Kelly or Edward Cartwright on 01-248 8080
Daiwa Europe Limited, 14 St Paul's Churchyard, London EC4M 8BD

Notice to Holders of

NIFCO INC.

(Incorporated with limited liability under the Commercial Code of Japan)

£12,000,000

6 Per Cent. Sterling Convertible Bonds due 1996

The Board of Directors of the Company decided on the 6th September 1985, to effect a 10% free distribution of shares of Common Stock of the Company on the 30th September 1985. As a result of the above the conversion price of the captioned Bonds shall be adjusted from the present price of Yen 863.40 to Yen 784.90 as from the 1st October 1985, Tokyo time in accordance with condition 5(c), (i) of the Bonds.

The Industrial Bank of Japan, Limited, London
Principal Paying Agent

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Commercial Paper Program

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Standard & Poor's: AA-

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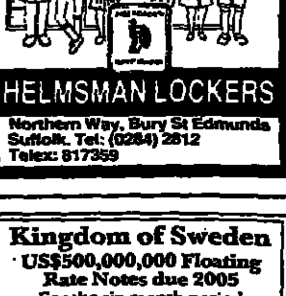

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Kingdom of Sweden

US$500,000,000 Floating Rate Notes due 2005

For the six month period 18th April, 1985 to 18th October, 1985, the amount payable per US$10,000 Note will be US$416.84 payable on 18th October, 1985.

Bankers Trust Company
London
Fiscal Agent

INTL. COMPANIES & FINANCE

Daim family sells stake in CSM

BY WONG SULONG IN KUALA LUMPUR

FOLLOWING its failure to win control over Cold Storage Malaysia last May, the family of Mr Daim Zainuddin, Malaysia's Finance Minister, has decided to sell its CSM stake to Roxy, a publicly listed company controlled by a business associate.

Over the weekend, Roxy, which is controlled by the family of Senator Alex Lee, said it would acquire Pradaz from Mr Daim's family for 2m ringgit (US$809,000) cash.

Pradaz's main asset is its holding of 13.8m shares in CSM, the food and property group, representing 29.3 per cent of the company. Roxy would acquire Pradaz together with its liabilities, which are not disclosed.

Last May, the Daim family launched a share takeover bid for CSM, through Raleigh which it controlled. The bid was called off however following its rejection by a substantial percentage of CSM shareholders, including Cold Storage of Singapore, and Raleigh's inability to obtain approval from the government's Capital Issue Committee.

Roxy, which was originally involved in making television sets and electronic products, was taken over by the Lee family last year through the injection of its 33 per cent stake in Development and Commercial Bank.

Mr Daim was believed to have played a role in arranging for the Lees' gaining control of Roxy, which was generally seen as a way out of some difficult problems faced by the family.

At that time, Tan Sri Aziz Taha, then governor of the Malaysian Central Bank, was openly critical of Senator's Lee's management of Development and Commercial Bank. Senator Lee subsequently quit as its chief executive.

The Lee family was also involved in a tussle for control of D and C Bank with Datuk Syed Kechik, its other major shareholder. This was resolved recently through the appointment of Mr Geh Ik Cheong, as the bank's executive chairman.

Mr Daim and Senator Lee are close political allies, and their friendship dates back many years to the time when they were both practising lawyers.

CSM, Roxy and D and C Bank are among companies enjoying impressive share price gains in the current recovery on the Kuala Lumpur Stock Exchange. Last week, CSM added 1.17 ringgit to 5.15 ringgit, Roxy added 85 cents to 6.00 ringgit, and D and C Bank gained 51 cents to 2.42 ringgit.

● Meanwhile Cold Storage Holdings of Singapore, has reported net profits down 9.3 per cent to S$2.4m (US$1.09m) for the six months to July. Pretax profits were down 5.4 per cent to S$5.5m on turnover 70.9 per cent lower at S$115.1m, AP-DJ reports from Singapore.

Last year's sales included revenue from Malaysian subsidiaries, which have since become associates, and from an Australian subsidiary, sold prior to the last financial year. Such revenues during the previous year totalled S$290.8m.

Cold Storage said trading conditions continue to be difficult in Singapore and Malaysia, and predicted no significant change during the second half.

The Interim Dividend is unchanged at 5 cents a share.

Wah Kwong Shipping down 11%

BY DAVID DODWELL IN HONG KONG

WAH KWONG Shipping and Investment, the Hong Kong group controlled by the Chao family, yesterday reported net profits for the six months to end June of HK$71.1m (US$9.1m). This represents an 11 per cent fall from interim profits of HK$80m last year, but was better than expected, given the deeply depressed state of world shipping industry.

Some analysts insisted that the interim figures should be treated with caution, since the company has revealed no provisions for writing down the book value of its fleet. Other major local shipping groups, like Sir Yue-Kong Pao's Eastern Asia Navigation, have over the past three years made significant write-downs, as well as trimming the size of their fleets.

Mr Frank Chao, Wah Kwong's ebullient chairman, insists there is no need for provisions, since all of his ships "are on long charter," and are likely to have only a nominal book value when the charters expire.

● Jardine Fleming, the Hong Kong-based merchant banking group, revealed yesterday that it had received permission from South Korea's Ministry of Finance to open a representative office in Seoul to conduct stockbroking business.

Jardine Fleming joins four Japanese and one U.S. broker that have been allowed to operate in South Korea. The permission comes two weeks ahead of Jardine's planned opening of a similar representative office in Taiwan.

The move marks a fresh step by the Korean authorities in opening up the country's capital markets and comes two weeks before Seoul hosts the International Monetary Fund (IMF) conference, the main annual gathering for leading figures in the world's banking and financial fraternity.

BHP urges holders not to sell stock

SYDNEY — Mr Brian Loton, managing director of Broken Hill Proprietary, yesterday advised shareholders not to sell their holdings in Australia's largest company, which is currently at the centre of takeover speculation.

He pointed out that BHP has been the subject of two previous bids by Mr Robert Holmes à Court, the Perth-based entrepreneur. "Shareholders who stayed with us on those occasions are between A$1 and A$6 better off."

Last week, several Australian stock brokers asserted that Adelaide Steamship and Mr Holmes à Court's Bell Group between them held about 14 per cent of BHP, though there has been no comment from either company.

Buying of BHP shares continued yesterday, driving the price up 14 cents to A$7.54 on turnover of almost 1m. The price reached a high of A$7.60.

● Rules governing conditional takeover offers in Australia will be tightened by legislation later this year.

The National Securities and Companies Commission (NCSC) will be able to prevent a takeover if it is conditional on opinions or judgments of the bidder or on any event in sole control of the bidder.

A bidder will not be able to withdraw a takeover offer without the NCSC's written consent. Reuter

Claremont Petroleum in the black

By Our Financial Staff

CLAREMONT PETROLEUM, the Melbourne-based oil company has announced a profit of A$10.2m (US$7m), for the year ended June 30, against a 1983-84 loss of A$298,000 and has recommended a dividend of five cents a share.

Total revenue amounted to $26m, of which $24.4m was derived from the sale of 643,133 barrels of oil from the Naccowlah Block and $1.4m from Jackson - Moonie Pipeline revenues.

Steep rise in profits for W. Australia gold miner

BY KEITH WHEATLEY IN PERTH

BARRACK Mines, the resource, division of Barrack House, a Western Australian company that encompasses activities from merchant banking to engine technology, has reported a 283 per cent rise in net profit to A$2.72m for the year ending June 30.

The result reflects the company's successful development of the Wiluna Dumps project and the Horseshoe Lights enterprise, both involving the extraction of gold from old tailings.

The two operations boosted Barrack's turnover from the previous year's A$2.02m to A$9.48m. The company holds 90 per cent of Wiluna and a 45 per cent stake in Horseshoe Lights.

The Wiluna project is the biggest of its kind in Western Australia. Over 120,000 tonnes of tailings per month are being processed through equipment with a design capacity of half that amount. The expected yield in the first year is 30,000 ounces of gold.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

Fleet Financial Group

US $150,000,000

FIVE YEAR SHORT-TERM NOTE ISSUANCE FACILITY

ARRANGED BY

CHASE INVESTMENT BANK
MANUFACTURERS HANOVER LIMITED

LEAD MANAGED BY

ALGEMENE BANK NEDERLAND N.V.
BANK OF IRELAND
THE BANK OF TOKYO, LTD. NEW YORK AGENCY
THE MITSUBISHI TRUST & BANKING CORPORATION, NEW YORK BRANCH
THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH
BANCO DI ROMA
BANK OF MONTREAL
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
THE SANWA BANK, LIMITED
STATE BANK OF NEW SOUTH WALES GRAND CAYMAN
WESTPAC BANKING CORPORATION

CO-MANAGED BY

THE BANK OF NOVA SCOTIA INTERNATIONAL LIMITED
CREDIT DU NORD, GRAND CAYMAN
KANSALLIS-OSAKE-PANKKI

TENDER PANEL MEMBERS

CHASE MANHATTAN LIMITED
ALGEMENE BANK NEDERLAND N.V.
BANK OF MONTREAL
BANK OF TOKYO INTERNATIONAL LIMITED
CREDIT DU NORD, GRAND CAYMAN
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
SALOMON BROTHERS INTERNATIONAL LIMITED
J. HENRY SCHRODER WAGG AND CO. LIMITED
STATE BANK OF NEW SOUTH WALES GRAND CAYMAN
S. G. WARBURG & CO. LTD.
MANUFACTURERS HANOVER LIMITED
BANCO DI ROMA
THE BANK OF NOVA SCOTIA INTERNATIONAL LIMITED
BANQUE BRUXELLES LAMBERT S.A.
CREDIT SUISSE FIRST BOSTON LIMITED
KANSALLIS-OSAKE-PANKKI
MERRILL LYNCH CAPITAL MARKETS
SAUDI INTERNATIONAL BANK (AL-BANK AL-SAUDI AL-ALAMI LIMITED)
THE SUMITOMO BANK, LIMITED
SWISS BANK CORPORATION INTERNATIONAL LIMITED
WESTPAC BANKING CORPORATION

AGENT

MANUFACTURERS HANOVER LIMITED

AUGUST 1985

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

KINGDOM OF SWEDEN

U.S.$1,800,000,000

MULTIPLE OPTION FACILITY

ARRANGED BY

CHASE INVESTMENT BANK

LEAD MANAGED BY

BANKAMERICA CAPITAL MARKETS GROUP
THE DAI-ICHI KANGYO BANK, LIMITED
THE FUJI BANK, LIMITED
LLOYDS BANK INTERNATIONAL LIMITED
THE MITSUBISHI TRUST AND BANKING CORPORATION
ORION ROYAL BANK LIMITED
THE SAITAMA BANK, LTD.
THE SUMITOMO BANK, LIMITED
THE TAIYO KOBE BANK, LIMITED
BANKERS TRUST INTERNATIONAL LIMITED
CHEMICAL BANK INTERNATIONAL GROUP
THE DAIWA BANK, LIMITED
IBJ INTERNATIONAL LIMITED
THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
SALOMON BROTHERS INTERNATIONAL LIMITED
TORONTO DOMINION INTERNATIONAL LIMITED
CALIFORNIA FIRST BANK
CIBC LIMITED
FIRST CHICAGO LIMITED
IRVING TRUST COMPANY
MANUFACTURERS HANOVER LIMITED
THE MITSUI BANK, LIMITED
NATIONAL BANK OF CANADA
PKBANKEN
SANWA INTERNATIONAL LIMITED
THE SUMITOMO TRUST & BANKING CO., LTD.
CHASE MANHATTAN LIMITED
CITICORP INVESTMENT BANK
FIRST INTERSTATE CAPITAL MARKETS LIMITED
THE MITSUBISHI BANK, LIMITED
THE MITSUI TRUST AND BANKING COMPANY LIMITED
POSTIPANKKI
SKANDINAVISKA ENSKILDA BANKEN
SVENSKA HANDELSBANKEN GROUP

MANAGED BY

AMERICAN SCANDINAVIAN BANKING CORPORATION
THE NATIONAL COMMERCIAL BANK, NEW YORK BRANCH
BANQUE NATIONALE DE PARIS
THE NIPPON CREDIT BANK, LTD.
THE TOKAI BANK, LIMITED
THE YASUDA TRUST AND BANKING COMPANY, LIMITED
CREDIT COMMERCIAL DE FRANCE
SOCIETE GENERALE
WELLS FARGO INTERNATIONAL LIMITED

UNCOMMITTED FACILITY WITHOUT LIMIT

SPECIALIZED TENDER PANEL

INCLUDING

BIDDING, DIRECT OFFERING AND SECONDARY MARKET-MAKING FOR EURONOTES

BANK OF AMERICA INTERNATIONAL LIMITED
CHASE MANHATTAN LIMITED
CREDIT SUISSE FIRST BOSTON LIMITED
GOLDMAN SACHS INTERNATIONAL CORP.
MERRILL LYNCH CAPITAL MARKETS
NOMURA INTERNATIONAL LIMITED
SALOMON BROTHERS INTERNATIONAL LIMITED
BANKERS TRUST INTERNATIONAL LIMITED
CITICORP INVESTMENT BANK LIMITED
ENSKILDA SECURITIES, SKANDINAVISKA ENSKILDA LIMITED
MORGAN GUARANTY LTD
MORGAN STANLEY INTERNATIONAL
ORION ROYAL BANK LIMITED
SHEARSON LEHMAN BROTHERS INTERNATIONAL

GENERAL TENDER PANEL

BIDDING FOR 1, 3 OR 6 MONTH EURONOTES

LEAD MANAGERS OF THE FACILITY

TENDER PANEL FOR MULTICURRENCY SHORT-TERM ADVANCES

INSTITUTIONS PARTICIPATING IN THE COMMITTED FACILITY

COMMITTED MEDIUM-TERM FACILITY OF U.S.$1,800,000,000

U.S.$ 1,208,580,000

EURODOLLAR SWINGLINE FOR SAME DAY FUNDS

PROVIDED BY

CANADIAN IMPERIAL BANK GROUP
CITICORP INVESTMENT BANK
THE DAIWA BANK, LIMITED
THE FUJI BANK, LIMITED
THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED
THE MITSUBISHI TRUST AND BANKING CORPORATION
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
POSTIPANKKI
THE SAITAMA BANK, LTD.
THE SANWA BANK, LIMITED
THE SUMITOMO BANK, LIMITED
THE SUMITOMO TRUST & BANKING CO., LTD.
THE TAIYO KOBE BANK, LIMITED
THE NATIONAL COMMERCIAL BANK, NEW YORK BRANCH
THE TOKAI BANK, LIMITED
THE YASUDA TRUST AND BANKING COMPANY, LIMITED
BANCO CENTRAL OF NEW YORK
BANCO DI ROMA (LONDON BRANCH)
THE CHASE MANHATTAN BANK, N.A.
THE DAI-ICHI KANGYO BANK, LIMITED
THE INDUSTRIAL BANK OF JAPAN, LIMITED
THE MITSUBISHI BANK, LIMITED
THE MITSUI BANK, LIMITED
THE MITSUI TRUST AND BANKING COMPANY LIMITED
PKBANKEN
THE ROYAL BANK OF CANADA GROUP
SKANDINAVISKA ENSKILDA BANKEN
SVENSKA HANDELSBANKEN GROUP
BANQUE NATIONALE DE PARIS
THE NIPPON CREDIT BANK, LTD.
SOCIETE GENERALE
WELLS FARGO INTERNATIONAL LIMITED
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
BANQUE BRUXELLES LAMBERT S.A.
FIRST FIDELITY BANK, N.A., NEW JERSEY

U.S.$ 591,420,000

PRIME SWINGLINE FOR SAME DAY FUNDS

PROVIDED BY

BANK OF AMERICA NT & SA
CALIFORNIA FIRST BANK
CHEMICAL BANK
FIRST INTERSTATE BANK OF OREGON, N.A.
THE FIRST NATIONAL BANK OF CHICAGO
LLOYDS BANK INTERNATIONAL LIMITED
NATIONAL BANK OF CANADA
TORONTO DOMINION INTERNATIONAL LIMITED
CREDIT COMMERCIAL DE FRANCE
BANK OF SCOTLAND
BANKERS TRUST COMPANY
THE CHASE MANHATTAN BANK, N.A.
FIRST INTERSTATE BANK OF CALIFORNIA
FIRST INTERSTATE BANK OF WASHINGTON, N.A.
IRVING TRUST COMPANY
MANUFACTURERS HANOVER BANK (GUERNSEY) LTD.
SALOMON BROTHERS HOLDING COMPANY INC
AMERICAN SCANDINAVIAN BANKING CORPORATION
ABU DHABI INTERNATIONAL BANK INC.
SECOND NATIONAL BANK OF SAGINAW

U.S.$ 1,800,000,000

REVOLVING CREDIT FACILITY FOR 3 DAY NOTICE FUNDS

PROVIDED BY

ALL INSTITUTIONS PARTICIPATING IN THE EURODOLLAR AND PRIME SWINGLINES

TENDER PANEL AGENT, SWINGLINE AGENT, FACILITY AGENT, ISSUING AND PAYING AGENT

THE CHASE MANHATTAN BANK, N.A.

AUGUST 1985

UK COMPANY NEWS

Freemans maintains strong sales growth

THE STRONG sales growth in the second half of last year at Freemans, mail order group, continued throughout this year's interim period. Turnover, excluding VAT, for the 28 weeks to August 10 rose by 18.1 per cent to £184.59m, against £156.25m, while pre-tax profits climbed 28.7 per cent from £9.22m to £11.86m.

Reported turnover excluded sales made from the related company, Together, in which Freemans has a 50 per cent interest. Turnover, including VAT, totalled £208.7m (£176.77m).

Trading profits grew by 28.1 per cent from £9.88m to £12.66m, but interest charges doubled to £1.35m (£0.65m) mainly because of a greater stockholding and higher debt resulting from the increased business. In addition, interest rates were considerably higher than those of the comparable period of 1984.

Group pre-tax profits this time included £548,000 from the Together company, which started trading this year.

Mr John Brooman, the chairman, says business in the few weeks since the interim date has been brisk, aided by the autumnal weather. The company is aware that the important weeks are still to come, but the chairman says it is reassuring that both the Freemans and the Together catalogues seem to have been well received.

The interim dividend is being raised from 2p to 2.3p net—last year's total was 5.5p on £22m pre-tax profits.

Tax charges for the 28 weeks was £4.84m (£4.15m) based on an estimated effective rate for the full year of 40.83 per cent. The reduction in the standard rate of corporation tax from 45 to 40 per cent, applicable for most of this financial year, contributed to a 38.4 per cent rise in after-tax profits from £5.07m to £7.02m.

● comment

Togetherness appears to be a major factors in Freemans' continuing rise in profits. The contribution from the newly launched and fashion-oriented Together Limited (a joint venture with Richard Caring of Jump fame) has prevented rising interest rates and stock costs from denting the interim returns. Generally the mail order group is in an expansionist frame of mind. New control systems are permitting agent recruitment (and with it the managed risk of bad debt) to preceed at a rate slightly above last year's 4.3 per cent. However, the bigger Freemans gets the more problematic do currencies become. Catalogues have to be priced months in advance and the goods mainly come later and from dollar denominated areas. This time the currency cost was around £1m. Poor summer weather has enabled the autumn/winter catalogue to take off earlier than had been expected and the outlook for the whole year is for £27m pre-tax. The shares at 280p up 8p, still look to have room for upward movement on a prospective p/e of 12 with a 40 per cent tax charge.

Spring Ram jumps by 43% to £1.8m

THE Spring Ram Corporation, designer and manufacturer of bathroom, kitchen and ancillary products, raised pre-tax profits by 42.5 per cent to £1.83m in the six months to June 29 against £1.29m last time on sales up 42 per cent from £8.97m to £12.74m.

The second-half has begun buoyantly, says Mr William Rooney, chairman, underpinning the board's confidence in a successful year.

The group's ability to continue to generate a strong, positive cashflow has enabled it to remain net ungeared, he says, in spite of financing an ambitious growth and expansion programme from its own resources. A medium-term loan of £1.5m was repaid in April.

The group, 5 per cent of the equity of which is owned by Prudential Assurance, moved from the Unlisted Securities Market to a full listing on April 1. It is paying an interim dividend of 0.61p a 10p share compared with 0.55p, adjusted for a one-for-one scrip issue.

Director shareholders and their associates have waived dividends on 64.9 per cent of issued share capital, allowing £126,000 of earned funds to be reinvested in the group.

Tax charges were £350,000 (nil), giving attributable profits of £1.48m (£1.28m). Earnings a 10p share were 6.6p (6.1p restated). All comparisons have been restated.

The expansion programme, involving two new factories totalling 227,000 sq ft on the Euroway industrial estate in Bradford, West Yorkshire, is on schedule, says Mr Rooney. However, the results of Spring Bathrooms reflect its substantial cost.

The automated technology incorporated into Spring's vitreous china production is performing above expectations, reinforcing confidence of a build-up in the second half, he says. The Asterite division has been successfully transferred to Bradford, expanding production capability.

There has been significant growth in demand for Ram HI's kitchen furniture. The eventual consolidation in Bradford of all Spring Bathrooms' operations will release about 70,000 sq ft at the group's complex in Sowerby Bridge, near Halifax, West Yorkshire, for development by Ram HI. New plant has been acquired.

Spring Ram International has consolidated its distributor network and continues to identify opportunities, he says. It has added new markets to its trading network.

● comment

With the first half bearing the brunt of setting up the new Bradford factories an unchanged profit margin at Spring Ram is a pretty good achievement. The sanitaryware factory has only just started production with output running at about 25 per cent of capacity and heading towards 100 per cent by next March. So the full impact of the diversification into making a complete bathroom will not bite until next year but even so profits could rise to at least £4m with perhaps £5½m in sight for 1986. Assuming a notional 35 per cent tax, the prospective multiples at 248p come out at 21.5 for the current year and 14.9 for 1986. Given the speed of growth the rating is realistic. With 22 to 24 per cent of the UK bath market, the potential to take 8 per cent of the wider sanitaryware market (12 per cent if the warehouse is relocated to make way for manufacturing) and a reasonable slice of the fragmented kitchen furniture sector Spring Ram is looking towards new areas for "green field" development in 1986. An acquisition in related areas of home improvement cannot be ruled out either.

Computer boost for Pantherella

GROWTH CONTINUED for Pantherella in the first half of 1985 with investment in new technology getting most of the credit. Taxable earnings improved by 36 per cent on turnover 30 per cent higher.

Directors of this Leicester-based maker of men's high quality socks say the new knitting machinery with electronic capability and the computerised production control system installed last year contributed to the improvement.

Turnover for the USM-quoted company rose from £1.6m to £2.09m with pre-tax profits increasing by £83,000 to £315,000. From earnings per share of 4.8p (3.4p) the interim dividend has been raised from 1.3p to 1.5p.

The tax charge was £132,000 against £97,000 for the comparable period when there was also an extraordinary credit of £5,000.

Moss Bros. up 16% midterm

REFLECTING THE continued steady progress being made at all levels in Moss Bros, its profits before tax for the six months ended July 27 1985 have moved up from £271,000 to £315,000—equal to a rise of 16 per cent.

Turnover of this group engaged in the sale and hire of clothing and ancillary goods, rose by 10.33 per cent to £9.53m, excluding VAT. It is too early to forecast for the full year.

The new Attitudes department has just opened within the Covent Garden store, carrying a wide range of women's clothing, accessories, cosmetics and jewellery.

Also during the period, the company opened a second Occasions shop in Guildford, and its progress to-date is considered by the directors to be most encouraging.

The GLC has turned down the company's application to redevelop the Covent Garden freehold headquarters. Moss is now formulating its appeal to the Secretary of State for the Environment.

The directors feel it necessary to redevelop the store because the potential of the location cannot be fully realised in what is an outdated building. It is essential, they say, to start again with a new building housing a modern store.

After tax £135,000 (£130,000), net earnings for the half year are shown to be 5.93p, against 4.66p, and the gross interim dividend is raised from 2.2p to 2.4p. The final for the previous year was 4.943p when pre-tax profits reached £1m.

● comment

Moss Bros could never has held out much hope that its efforts to redevelop Covent Garden would sail through the GLC unhindered. The company has now moved on with an appeal but in terms of assessing the shares the site as a modern retail/office block is on a back burner. As a retailer, the traditional business of hiring and selling formal wear is acting as the cash cow for experiments. "Occasions," which is basically taking the core business and dressing up for a younger market, is going well but it needs more sites. Giving over half the ground floor at Covent Garden to "Attitudes"—with perfumes, cosmetics, casual Dash clothes, formal and high fashionwear—is more adventurous. The associated refurbishment costs may restrain second half profits but the year could still reach £1.2m for a p/e of 20 at 470p assuming a 40 per cent tax charge.

Evered uses interim figures to reply to TI

WITHOUT MAKING direct reference to TI Group criticism of its management style, Evered Holdings has taken the opportunity of its interim statement to reply.

Mr Raschid Abdullah, shairmancredits his company's management style with a 130 per cent increase in pre-tax profits and a 41 per cent improvement in the earnings per share. It is a style, he adds, which constantly seeks to improve margins and earnings per share."

Later in his statement he mentions the Evered Management Style in connection with continuing capital investment which is made where it can be demonstrated that an improved product, better margins and a higher return on capital will result.

He adds: "The Evered Management Style also places great emphasis on a high level of motivation throughout the group."

Mr Abdullah does refer to TI but only to say tthat Evered has brought 14.73 per cent of the group and with other parties controls 20.1 per cent. He says, however, that Evered's interest remains a strategic investment and although the directors continue to review all available options, no decision about the possibility of a takeover has been taken.

"In reviewing these options the primary objective of the directors will be to achieve continuing growth in earnings per share for shareholders."

For the first half of 1985 the holding company with interests in industrial products and metal forming reported turnover up by 89 per cent from £23.01m to £43.66m. Pre-tax profits rose from £1.09m to £2.5m.

From earnings of 8.2p (5.8p) the interim dividend is being increased to 1.25p (0.7p), an increase of 79 per cent and 25 per cent above the forecast at the time of the £25m rights issue.

The board believes that the strength of the company is demonstrated by the substantial improvement in the earnings per share and it has confidence in a satisfactory outcome for the rest of the year. The dividend decision—as made on the basis of the earnings growth and the prospects for the full year.

It is expected that the final payment of 2p, forecast at the time of the rights issue will still be recommended.

There was an overall increase in trading margins from 7.3 per cent to 7.8 per cent, despite difficult trading conditions being experienced by all areas at various times. This improvement demonstrates the determination of management at operational level to overcome such problems' says Mr Abdullah.

Industrial products achieved margins of 9.1 per cent (6.1 per cent) and metal forming 7.5 per cent (6.6 per cent).

However, North America was unable to maintain its margins at the record 1984 level and achieved 5.3 per cent (10.8 per cent). This was due to the problems in the U.S. computer industry which resulted in reduced demand for our products, particularly towards the end of the first half.

Swift action was taken by management to reduce costs with the result that the North American division remained profitable. In July and August there was an improvement in demand and other markets are actively being sought.

Net operating profit was £3.41m (£1.54m) and the pre-tax figure was struck after net interest payable up from £454,000 to £903,000. The tax charge increased from £281,000 to £493,000, leaving attributable profits more than doubled at £2.01m, against £809,000. Ordinary and preference dividends absorbed a total £317,000 (£172,000).

The breakdown of turnover and operating profits showed industrial products earned £1.98m (£718,000) on sales of £21.88m (£13.36m): metal forming £899,000 (£454,000) on £11.92m (£6.52m), aand North America £523,000 (£372,000) on £9.85m (3.13m).

See Lex

Canning forecasts profit rise

W. Canning expects profits for the full year to show an improvement over the £1.94m pre-tax achieved in the previous year.

In the first half, the profit before tax was only just ahead, at £1.13m compared with £1.11m, but the directors say this was a substantial achievement in view of the well-publicised difficulties in the UK electronics market, low precious metal prices, and losses in the U.S. chemical subsidiary Marston Bentley.

Their forecast for the year supposes no further deterioration in electronics and precious metal markets, and the general economic environment. They have declared an interim dividend of 1.15p net, against 1.1p.

Turnover in the half year rose from £23.86m to £31.91m. Sales of overseas subsidiaries and exports from the UK account for some 35 per cent of that, and the percentage is expected further to increase in the second half.

The directors state that in the electronics market sales value rose by 8 per cent, but net profit margins were low. The newly acquired French subsidiary, however, did well.

Marston Bentley ran up a loss of £110,000, compared with break even last time, as a result of cancellation of orders. The chemical companies at home and in West Germany continued to trade well.

Precious metal prices continued to decline. The drop in the silver price has been countered by the rationalisation of the John Betts refining activities on one site and by increasing volume. This meant a loss in the first quarter but a small profit was made in the second.

Earlier this month Canning completed the purchase of 26 dental laboratories in the U.S. for A$2.5m (some £1.78m). This follows the purchase of Gazelle International last November for £656,000, and other acquisitions, and means the company now has a substantial dental services business in America.

At HB Electronic Components, the subsidiary which is a member of the USM, the halftime profit fell from £120,000 to £30,000 as a consequence of increased costs, particularly those of financing stocks, incurred in anticipation of further market expansion.

These costs quickly eroded the additional gross margin that the company had earned from sales of £2.48m (£2.29m). There was also a rise in the bad debt provision.

The company believes it can maintain profitability throughout the second half after taking steps to reduce operating costs. The interim dividend is held at 0.5p net.

● comment

W. Canning is suffering from downturns in several of the sectors which it has entered as it shifted out of metal bashing. These have not done well and what growth there is has come from acquisitions and chemicals. H. B. Electronics is struggling just above the break-even point due to the well documented problems of the components industry. Silver recovery has suffered from an 18 per cent drop in the average price of silver. So in spite of volume growth, recovered output was up to 50 tonnes for the half from 70 for the whole of 1984. a £110,000 loss (against a £150,000 profit) was recorded. The rationalisation of John Bett is the result. The main hope for the year has to be the U.S. denture business, Denticon, which is now the largest single dental laboratory company in America, albeit in a very fragmented market. Getting profits out of the U.S. cavity filler has to be the priority—but this is for next year rather than this. As a result Canning may have to wait for any serious rerating and the prospects for the year are for £2.1m pre-tax. At 94p the shares took about right for the short term.

John Menzies advances 20%

John Menzies, the newsagent, bookseller and stationer, lifted pre-tax profits by 20 per cent from £3.5m to £4.2m in the six months to August 3 1985, on sales 9.7 per cent higher at £355.8m, against £233.1m last time.

Group profits for the rest of the year are, as always, dependent on the success of Christmas trading, the directors state. Should this prove satisfactory, they say second-half profits will exceed the £13.6m made in the equivalent period last year.

The shares were up 5p to 308p at the close yesterday.

Last year's interim figures included the Lonsdale Technical Group which was sold in August 1984. The current year's results include two months of Early Learning acquired for £8.4m in May 1985.

Early Learning is a "System" retailer, selling toys, games and books for children. The chain consists of 96 shops and a mail order division, and rapid expansion to achieve complete national coverage is planned.

After tax of £1.7m (£1.5m) stated half-year earnings per 25p share were up from 3.5p to 4.3p. The net interim dividend is increasing from 1.125p to 1.35p—last year's final was 2.25p on record £17.1m pre-tax profits.

First-half taxable profits were struck after net finance charges reduced from £593,000 to £172,000.

● comment

Interim statements from John Menzies were never the most revealing of communications but a modest piece of arithmetic — excluding last year's contribution from Lonsdale Technical, which has been sold, and adding back the small loss from Early Learning this time — reveals an increase in pre-tax profit nearer 40 per cent than 9.7 per cent. A more useful but impossible sum would reveal the relative contribution of wholesale and retail distribution within the newspaper business: after all, with Mr Eddy Shah planning his independent distribution network next year, the City will be watching closely the effect on Menzies and W. H. Smith. Elsewhere, Menzies is opening Early Learning stores at a spanking rate and these may make a positive contribution this year; and it would probably take a newspaper strike or a complete collapse in home computers this Christmas to prevent pre-tax profits for the year of around £20m. But with the share price up 4p to 307p, a retailer's multiple of 14-15 times 1985 earnings is taking a fairly sanguine view of possible upheavals in newspaper distribution.

Record year for Gabicci beats flotation forecast

Gabicci, designer and supplier of menswear, reported record trading for the year to June 19, 1985 and taxable results ahead of the forecast made at the time of the company's USM flotation in November last year.

On turnover up from £5.09m to £6.11m, pre-tax profits were £736,000, an increase of 33 per cent on the previous year's £553,000. From earnings per 5p share of 7.3p, a final payment is being proposed of 1.9p, making the total for the year 2.8m.

During the year, described by Mr Jack Sofier, chairman, as most exciting, the company has continued to progress at a highly satisfactory rate. The totally coordinated Concept label gained momentum, concession trading was successful with the number of Hornes stores, in which it operates doubling, and a move into mail orders.

An experienced export manager has been appointed to lead Gabicci's export drive primarily into Europe and then beyond.

Mr Sofier says that the mail order business together with sales to the large number of stores and menswear retailers throughout the country forms a sound basis for further growth.

Gross profit came out at £1.89m (£1.57m), with other operating income adding a further £6,000 (£43,000). The pre-tax figure was struck after net interest payable of £1,000, against £70,000 for the previous year. The tax charge was £324,000 (£272,000) and there were extraordinary debits last time of £98,000.

With dividends taking £164,000 (£11,000), the retained profit came out at £248,000, against £172,000.

Mr Sofier says that this year deliveries and sales for autumn 1985 are satisfactorily ahead of last year. "Our spring 1986 collection is considered to be one of the best we have ever produced and early indications from orders currently being taken are most encouraging."

This advertisement complies with the requirements of the Council of The Stock Exchange.
It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities.

U.S. $2,500,000,000

United Kingdom

Floating Rate Notes Due 1992

The following have agreed to subscribe or procure subscribers for the Notes:

S. G. Warburg & Co. Ltd. — Credit Suisse First Boston Limited
Amro International Limited — Bank of Tokyo International Limited
Bankers Trust International Limited — Banque Bruxelles Lambert S.A. — Banque Nationale de Paris
Barclays Merchant Bank Limited — Baring Brothers & Co., Limited
Citicorp Investment Bank Limited — Commerzbank Aktiengesellschaft — County Bank Limited
Deutsche Bank Capital Markets Limited — Dresdner Bank Aktiengesellschaft
Goldman Sachs International Corp. — Hambros Bank Limited — Hill Samuel & Co. Limited
Kleinwort, Benson Limited — Lazard Brothers & Co., Limited — Lloyds Merchant Bank Limited
Merrill Lynch International & Co. — Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited — Morgan Guaranty Ltd — Morgan Stanley International
Nomura International Limited — Orion Royal Bank Limited — N. M. Rothschild & Sons Limited
Salomon Brothers International Limited — J. Henry Schroder Wagg & Co. Limited
Standard Chartered Merchant Bank Limited — Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited

The issue price of the Notes is 100 per cent. of the principal amount. Application has been made for the Notes constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange.

Interest will be payable quarterly in arrear in January, April, July and October of each year, beginning in January 1986.

Particulars relating to the Notes are available in the statistical service of Extel Statistical Services Limited and may be obtained during usual business hours up to and including 26th September, 1985 from the Company Announcements Office of The Stock Exchange and up to and including 8th October, 1985 from:

S. G. Warburg & Co. Ltd., 33 King William Street, London EC4R 9AS

Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ

Mullens & Co., 15 Moorgate, London EC2R 6AN

Morgan Guaranty Trust Company of New York, Morgan House, 1 Angel Court, London EC2R 7AE

24th September, 1985

BOARD MEETINGS

TODAY

Interim:—Bluebird Toys, Bosse Massimi Pollitt, DRG, Macallan-Glenlivet, Martin Currie Pacific Trust, Northern Engineering Industries, J. T. Parrish, Scott and Robertson, Spear and Jackson International, Steetley, Francis Sumner, Sunleigh Electronics, Watmoughs, Wingate Property Investments.

Finals:—Baillie Gifford Japan Trust, Barratt Developments, City of Aberdeen Land Association, Minerals and Resources Corporation, News International, Park Place Investments, Zambia Copper Investments.

FUTURE DATES

Interims:—

Arncliffe	Sept 30
Bio-Isolates	Sept 30
Home Counties Newspapers	Oct 4
House Property Co of London	Oct 10
Miles 33	Sept 30
More O'Ferrall	Oct 21
United Friendly Insurance	Sept 30

LADBROKE INDEX
996-1,000 (+6)
Based on FT Index
Tel: 01-427 4411

Evered Holdings plc

INTERIM REPORT
HALF YEAR TO 30th JUNE 1985

The unaudited results of the Evered Group, prepared under the historical cost convention, for the first six months of the financial year ending 31st December 1985, together with comparative figures are summarised below:

		1985** Half Year £'000	1984 Half Year £'000	1984 Year £'000
Sales		43,655	23,008	63,351
Net Operating Profit		3,407	1,544	4,636
Interest Payable (net)		(903)	(454)	(1,193)
Profit before tax		2,504	1,090	3,443
Taxation		(493)	(281)	(1,084)
Profit after Tax		2,011	809	2,359
Minority Interest		—	—	(10)
Earnings		2,011	809	2,349
Dividend	Ordinary – Interim	1.25p	0.70p	0.70p
	– Final	—	—	1.60p
Earnings per Ordinary Share		8.2p	*5.8p	†12.2p

Turnover and Profit by Class of Business

	1985 Half Year Turnover £'000	1985 Half Year Profit £'000	1984 Half Year Turnover £'000	1984 Half Year Profit £'000	1984 Year Turnover £'000	1984 Year Profit £'000
Industrial Products	21,884	1,985	13,361	718	32,629	1,993
Metal Products	11,917	899	6,521	454	16,078	1,064
North America	9,854	523	3,126	372	14,644	1,579
	43,655	3,407	23,008	1,544	63,351	4,636

PRE-TAX PROFIT UP 130%
EARNINGS PER SHARE UP 41%
INTERIM DIVIDEND INCREASED BY 78%
TRADING MARGINS SHOW OVERALL INCREASE

York House, 38/42 Chertsey Street, Guildford, Surrey GU1 4HD.

**Exchange rates as at 30th June 1985.
*Based on a weighted average of 13,975,950 ordinary shares in issue during the period.
†Based on a weighted average of 19,197,609 ordinary shares in issue during the period.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

CPM

COUNTER PRODUCTS MARKETING PLC

(Incorporated in England under the Companies Act 1948 No. 906284)

Based in Thame, Oxfordshire, the Group is engaged in the provision in the United Kingdom of a broad range of sales promotion and marketing services.

Placing by

Robert Fleming & Co. Limited

of 2,320,400 Ordinary shares of 5p each at 125p per share

Authorised	SHARE CAPITAL	Issued and now being issued fully paid
£650,000	in Ordinary shares of 5p each	£512,500

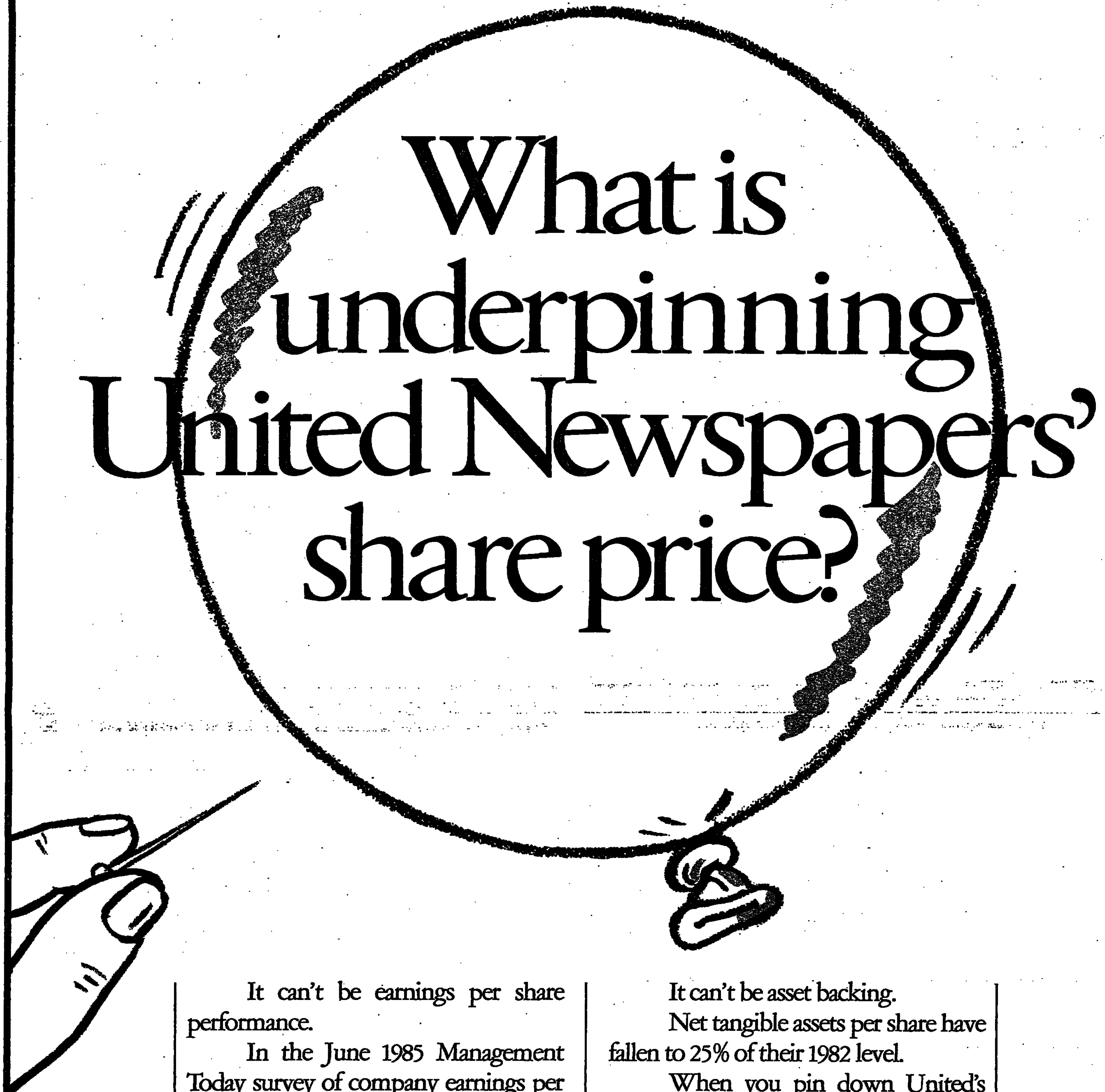
Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the Ordinary share capital of the Company issued and now being issued in the Unlisted Securities Market. A proportion of the shares being placed are available to the public through the market. It is emphasised that no application has been made for these securities to be admitted to listing.

Particulars relating to the Company are available in the Extel Statistical Services and copies of the Prospectus may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 7th October, 1985, from:

Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN

Simon & Coates, 1 London Wall Buildings, London EC2M 5PT

What is underpinning United Newspapers' share price?



It can't be earnings per share performance.

In the June 1985 Management Today survey of company earnings per share growth, United ranked only 221st out of 250 (Fleet ranked 8th).

It can't be newspaper circulation.

The August 1985 MMC report showed that the circulation of United's newspapers has plummetted since 1980.

Morning papers down 13%
Evening papers down 13.5%
Paid-for weeklies down 14%.

It can't be asset backing.

Net tangible assets per share have fallen to 25% of their 1982 level.

When you pin down United's share price, where is the substance?

FLEET

FLEET HOLDINGS P.L.C.

Fleet puts shareholders first.

This advertisement is published by Fleet Holdings PLC. The directors of Fleet Holdings PLC are the persons responsible for the information contained in the advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The directors of Fleet Holdings PLC accept responsibility accordingly.

UK COMPANY NEWS

Fleet hits out at United Newspapers' accounting methods

BY CHARLES BATCHELOR

Fleet Holdings, the Daily and Sunday Express group which is fighting off a £229m takeover bid from United Newspapers, yesterday attacked United for the way it prepares its accounts and for the liberality with which it has issued new shares to finance acquisitions.

United's treatment of goodwill in its accounts makes for uncertainty over the company's future profit levels, Fleet claimed.

United's accounts showed that no less than £77.7m-worth of its £100.8m share capital and reserves was represented by goodwill.

United is unlikely to have enough distributable reserves—it only had £24.4m-worth at December 31 1984—against which to write off this goodwill, Fleet said. To write it off through the profit and loss account over 20 years would give rise to a charge against profits of about £3.9m a year.

This year is the first in which United will have to write off the goodwill in its balance sheet. Unless United discloses its intentions how it intends to treat this goodwill its shares cannot be properly evaluated, Fleet said.

Fleet also criticised United for including a proportion of Fleet's profits in its own interim statement. United has a 20 per cent stake in Fleet.

An investing group may only include a proportion of profits of a company in which it has a holding if it participates in the financial and operating policy decisions of the company. This is not the case with United, Fleet said.

If United wrote off £1.9m of goodwill and eliminated the £1.7m of Fleet profits (but added back £606,000 worth of Fleet dividens) United's unaudited profit for the six months ended June 30 would fall to £16.26m before tax from the published figure of £19.28m, Fleet said.

Fleet also queried United's failure to mention its treatment of the £4.22m profit it made on the sale of its shares in Trident Television last January. United's "incessant" issue of shares to finance acquisitions had boosted pre-tax profits at the expense of earnings per share growth, Fleet said.

P & O raises Ocean stake

Peninsular and Oriental Steam Navigation has bought a further 3 per cent of the shares of Ocean Transport and Trading to bring its stake up to 13 per cent.

P & O announced back in April that it had bought 8 per cent of Ocean. Sir Jeffrey Sterling, P & O's chairman, said later that the company did not intend to make a full bid, but may raise its shareholding.

Yesterday, he said of the latest purchase of 3.23m shares: "We were offered approximately 3 per cent of the company and decided to accept.

The shipping, construction and property group—merged with Sterling Guarantee Trust (also headed by Sir Jeffrey) early this year—has made no other purchases of Ocean shares since April. Last night, Ocean shares closed 4p higher at 189p with P & O unchanged at 405p. The latest Ocean block is thought to have been bought at between 170p and 180p.

P & O has described its stake in Ocean as a trade investment. Sir Jeffrey described bid speculation as "wide of the mark" at the P & O annual meeting, also in April. "We can achieve our objectives without an offer."

Both companies are major shareholders in Overseas Containers, where profits are rising sharply this year, though increasing competition in the container shipping sector is expected to cause a drop in 1986.

CES confident as halfway profits advance to £3.2m

A VERY satisfactory result for the year ending January 1986 is looked for by Combined English Stores Group. In the first 28 weeks of the year it has produced a 131 per cent advance in profits on ordinary activities, and the directors believe the success will continue into the second half.

The profit moved up from £1.38m to £3.19m on a turnover ahead by £16.55m to £71.66m. Property profits, however, fell from £816,000 to £252,000, so the overall growth in profit before tax was restricted to 56.7 per cent—from £2.2m to £3.45m.

The group's main activities are in multiple specialist retailing, importing and wholesaling, and travel. In the interim period Salisbury Handbags made a major contribution to the profit increase, while Eurocamp Travel, Biba ,the West German fashion chain). Allens Chemists and Mercado Carpets also made important increases in profits.

Earnings per share have risen from 2.38p to 3.71p and the net interim dividend is lifted from 1.96p to 2.45p. The total for the year ended January 26 1985 was 4.9p paid from pre-tax profits of £9.16m.

Looking to the future, the directors say the group is particularly well placed to sustain growth, in which the organic expansion of the existing retail businesses will play an important part. The balance sheet is very healthy, they say.

● comment

Combined English Stores' efforts to revamp Salisburys Handbags have paid off handsomely: the chain contributed profits of £1.1m in this year's first half against losses of £300,000 last time. The difference accounts for most of Combined English Stores' phenomenal profits growth, for increases elsewhere were largely balanced by a five-fold jump in losses to £250,000 at Collingwood, the jewellery chain, which has been bearing heavy expansion costs and only makes money in the second half. Forecasts for the full year were yesterday being revised upwards to around £11.5m with another £1m or so for property profits, putting the shares down 2p at 160p, on a prospective p/e ratio of 10¼ after a 35 per cent tax charge. A performance like this would seem to warrant something higher but the market remains wary of the group's less exciting wholesaling activities and its vulnerability to cyclical factors. A juicy acquisition or two might change that, but Combined will have to do some fancy footwork if it is not to get trampled in the crush.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Beatson Clarke ......int	3.3	Nov 25	3.3	—	6.6
W. Canning ....int	1.15	Dec 2	1.1	—	3.5
Combined English ...int	2.45	Nov 20	1.96	—	4.9
Evered Holdings ...int	1.25	Nov 22	0.7	—	2.3
Freemans ....int	2.3	Dec 6	2	—	5.5
Gabicci‡	1.9	—	—	2.8	—
HB Electronics‡ ......int	0.5	Nov 25	0.5	—	1.2
John Menzies ......int	1.35	—	1.13	—	3.38
Metalrax ....int	0.7	Oct 25	*0.61	—	*2.06
R. H. Morley	1.5‡	—	1.25	1.5†	1.25
Mess Bros	2.45¶	Nov 11	2.2	—	7.14
Pan Therella‡ ......int	1.5	Jan 3	1.3	—	3.3
Parker Knoll	6.5	Nov 2	6	9.5	9
Michael Peters	1.6‡	—	1.22	2.6	2
Spring Ram Corp ...int	0.61p	Dec 12	—	—	1.65

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross throughout. || Income shares. ** Capital shares.

STC begins disposal programme

By Frank Kane

STC, the telecommunications and computer manufacturer which last month announced a slump in interim profits, yesterday made its first disposal as part of the rationalisation programme which it hopes will reverse the decline.

It is to sell the major part of the Telebank TV rental and asociated catalogue selling business to Granada Group, the TV and communications company, for up to £12m.

The consideration, to be determined before the end of the year, will be not less than £10m and will be setled in cash. The deal follows the acquisition in May 1984 of the Rediffusion TV rental operations, which made Granada the largest UK rental business trading under one name.

Mr Bill Andrewes, chief executive of Granada TV Rental, said yesterday that the cash settlement reflected the substantial cash flow being generated by the integrated TV rental operations.

"We shall be acquiring about 127,000 rental accounts and the catalogue of household goods which together represent a valuable expansion of our business. The move continues the strategy of increasing our share of the rental market to realise cost and marketing efficiencies where this can be achieved at an acceptable cost."

Mr Andrewes added that the buy came at a "particularly opportune time." The integration of Rediffusion and Granada had been completed very successfully, in line with schedule, and the company was well placed to benefit from the additional business."

Telebank employs 970 people, and the majority are transferring with the business. In the 1984 year it provided a "major part" of the £25m annual turnover of STC's residential electronics division, operating from 39 offices around the country.

In the six months to June 30 1985, STC saw pre-tax profits decline from £76.2m to £21.4m. Lord Keith of Castleacre, who succeeded Sir Kenneth Corfield as chairman last month, promised disposals as part of a cost-cutting plan.

Berkeley Exploration up by £1m

Pre-tax profits at Berkeley Exploration and Production improved from £770,000 to £1.73m in the six months to June 30 1985. The figures, which reflect the combined businesses of Berkeley and Anvil Petroleum, acquired in May, have been prepared on a merger basis as if the two companies had formed a single group since January 1.

Oil and gas sales increased from £4.71m to £6.73m, and gross profit came out at £3.13m (£1.9m). The pre-tax figure was after administration expenses up from £535,000 to £671,000 and interest charges of £326,000 (£298,000), but included interest and other income of £144,000 compared with £280,000.

First-half tax was down from £1.57m to £705,000, and there were minority credits of £300,000 (£226,000). Stated earnings per £1 share of this USM company were 7.18p against losses of 3.21p last time.

The directors say the gross revenue reflects the production from both the Forties and Claymore Fields, which averaged 1,472 bpd over the period. Turnover for the second half will be less than in the first due to lower sterling oil prices and reduced production levels from the Forties Field.

Berkeley has greatly expanded during the first six months of 1985. In May, it acquired Anvil and later that month the enlarged group was awarded—in the ninth offshore round — interests of between 5 per cent and 15 per cent in 15 blocks.

The company's offshore acreage contains a number of attractive prospects.

The company has a number of exciting projects now and for the future, and hopes to be able to report continuing expansion.

● comment

Berkeley's first set of results since teaming up with Anvil provides firm evidence of the fiscal advantages of the merger. By offsetting Berkeley's exploration costs against Anvil's production revenues the tax bill has been cut in half. Furthermore, with a stronger cash flow exploration activity has been stepped up and this year the group is drilling about 11 wells compared with about five last year. Apart from a brief spurt when the discovery of oil on Block 29/9 was announced, the share price has been tired since the merger, as it seemed to extinguish the possibility of a takeover by Charterhouse. Now that the Saxon bid has failed, Charterhouse might be expected to rekindle its interest in Berkeley. However, the group is no longer a particularly cheap way into acreage, and its share price up 5p to 90p, seems appropriately to regard the future as one of independence for the stock.

Beatson Clark higher

Beatson Clark raised pre-tax profits to £741,000 (£298,000) in the first half of 1985, on sales of £17.18m (£15.61m). The result reflected higher turnover and improved productivity in its main glass container business. Earnings per 25p share were lower at 6.7p (12.6p) but the interim dividend is maintained at 3.3p net.

Tomkins set to bid £15.3m for OEM

BY DAVID GOODHART

F. H. Tomkins, the fast-growing West Midlands engineering group, yesterday looked poised to make a 250p per share offer for Office and Electronic Machines, the typewriter service and distribution company.

The acquisitive engineering company, which has held 8.16 per cent of OEM for about two months, announced that it may make an offer for the whole share capital.

The main condition of the offer, valuing OEM at £15.3m, is that Tomkins can reach agreement within four weeks with Triumph-Adler on taking over OEM's sole agency for their products "on terms that are satisfactory to the board of Tomkins."

OEM's primary activity is the distribution and after sales service of Triumph Adler's range of office equipment in the UK.

To the end of December 1984 the company made a pre-tax profit of £1.95m on a turnover of £24.9m.

Although OEM's sector would be a new area for Tomkins, "it fits their formula well," according to analyst, Mr Tim Harris, of brokers Savory Milln.

"OEM had a bad year in 1984 but the company is basically profitable and there is room for growth," he added.

The main shareholders in OEM, apart from Tomkins, are Triumph Adler with 11.6 per cent, Imperial Group with 7.4 per cent, Prudential 5.4 per cent and Norwich Union 5.2 per cent.

F. H. Tomkins reported pre-tax profits of £3.52m, up by 48 per cent, for the year ended May 4 1985, on a turnover of £35.79m.

The company's share price yesterday fell 9p to close at 238p. OEM fell 1p to close at 242p.

Stake in Molins

Border & Southern Stockholders Trust, the investment trust managed by John Govett, has increased its holding in Molins, the manufacturer of cigarette making and packing machinery, to 6.13 per cent from 1.95 per cent.

The board of Molins is currently attempting to put together a management buy-out of the company. It has put a maximum value of 170p per share or a total of £50m on its proposed offer.

Metalrax ahead

Metalrax Group, engineering concern, increased pre-tax profits by 19 per cent to £1.55m (£1.3m) in the half year to June 30 1985, on turnover of £17.17m (£14.05m).

She net interim dividend is up 15 per cent at 0.7p (adjusted 0.6091p) and the board predicts at least an equivalent rise in the final. Earnings per 5p share were 2.8p (2.14p).

Mr John Wardle, the chairman, says second-half profits are expected to be better than the same period of 1984.

BASE LENDING RATES

A.B.N. Bank	11½%	■ Hambros Bank	11½%
Allied Dunbar & Co.	11½%	Heritable & Gen. Trust	11½%
Allied Irish Bank	11½%	■ Hill Samuel	§11½%
American Express Bk.	11½%	C. Hoare & Co.	11½%
Henry Ansbacher	11½%	Hongkong & Shanghai	11½%
Amro Bank	11½%	Johnson Matthey Bkrs.	11½%
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	12 %
Banco de Bilbao	11½%	Lloyds Bank	11½%
Bank Hapoalim	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid. East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co. Canada	11½%
Citibank NA	11½%	■ J. Henry Schroder Wagg	11½%
Citibank Savings	¶12½%	Standard Chartered	‖11½%
City Merchants Bank	11½%	TCB	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coates & Co. Ltd.	12 %	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	11½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	11½%	Williams & Glyn's	11½%
The Cyprus Popular Bk.	11½%	Yorkshire Bank	11½%
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Sec. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8% gross.
‖ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 8%.

COMBINED ENGLISH STORES GROUP PLC

"Our success continues... the prospects for sustained growth are good..."

Murray Gordon
Chairman

INTERIM REPORT

Profits up 57% to £3.45m

Earnings per share up 56% to 3.71p

Dividend up 25% to 2.45p

The unaudited consolidated results for the 28 weeks ended 10 August 1985 are as follows:	28 weeks ended 10 August 1985 £000	28 weeks ended 11 August 1984 £000
Turnover	71,661	55,114
Profit on ordinary activities before taxation	3,445	2,198
Taxation	1,412	921
	2,033	1,277
Minority interests	35	38
	1,998	1,239
Extraordinary items	693	53
Profit for the period	2,691	1,292
Dividends: Preference	8	8
Ordinary	1,331	1,041
	1,339	1,049
Balance transferred to reserves	1,352	243
Earnings per Ordinary share	3.71p	2.38p

NOTES:
1) Profit on ordinary activities before taxation includes profit on the disposal of interests in properties amounting to £252,000 (28 weeks ended 11 August 1984 £816,000, including profit arising from sale and leaseback arrangements).
2) The interim dividend for the year ending 25 January 1986 of 2.45p (1985 1.96p) per Ordinary share will be paid on 20 November 1985 to shareholders on the register on 10 October 1985.

COMBINED ENGLISH

MAIL ORDER
Freemans

Interim Consolidated Financial Statement for the 28 weeks ended 10th August 1985

£000's	28 weeks ended 10th August 1985	28 weeks ended 11th August 1984
Turnover	208,696	176,774
VAT	24,109	20,528
	184,587	156,246
Trading profit	12,659	9,883
Share of profit of related company	548	—
Interest payable	1,345	664
Profit before taxation	11,862	9,219
Taxation	4,843	4,149
Profit after taxation	7,019	5,070
Interim dividend 2.3p per share	1,646	2.0p 1,414
Earnings per share 9.8p		7.2p

GOOD PROGRESS ALONG GROWTH PATH
* SALES advance by 18.1%
* PROFIT BEFORE TAX up 28.7%
— Includes share in profit of new joint venture Together Limited
* PROFIT AFTER TAX up 38.4%

Freemans PLC
139 Clapham Road, London SW9 0HR

INTERIM RESULTS

LONGTON INDUSTRIAL HOLDINGS PLC

In his statement circulated to Shareholders the Chairman said:

"The Group has made significant progress over the last two years. I am confident that the current year will show continued progress with the Group building on its existing strengths to expand its activities."

A. S. Fox, Chairman

HIGHLIGHTS FROM 1985 RESULTS

Year to 31st March	1985 £'000s	1984 £'000s	
Turnover	52,045	46,133	+ 13%
Profit before Tax	1,152	555	+107%
Earnings per Share	13.1p	5.4p	+142%
Dividend per Share	3.0p	2.0p	+ 50%

Transport & Distribution: Steel Stockholdings & Engineering Supplies: Car & Truck Distribution
The Longton Group

J SAVILLE GORDON GROUP p.l.c.

ANNUAL RESULTS

* Pre-tax profit — exceeds £2.3m up 74%
* Dividend per share — at 4.65p up 25%
* Earnings per share — at 13.2p up 74%
* Dividend cover — 2.8 times
* One-for-One Bonus proposed

"All three divisions have had a very successful year . . . the Board views the future with confidence".

John D. Saville, Chairman

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UK COMPANY NEWS

Textile activities boost Parker Knoll to £3.6m

BOOSTED by its textile activities Parker Knoll raised its pre-tax profits by £396,000 to £3.6m in the year to July 31, a level last attained in 1979-80.

And from earnings of 27.7p (27.2p) the dividend for the year is being lifted by 0.5p to 9.5p net, the final being 6.5p.

Turnover for the period advanced from £40.88m to £43.18m and generated trading profits of £3.67m, against a previous £3.26m.

A divisional breakdown of profits at the trading level shows: Parker Knoll Furniture £1.38m (£1.51m), textiles £2.17m (£1.21m), Mercia Weavers £118,000 (£57,000 loss), K. Raymakers & Sons £299,000 (£702,000), and Nathan Furniture £299,000 loss (£104,000 loss).

The directors say the group has entered the current year confidently with the board and management teams in each division committed to improving performance in the highly competitive markets in which Parker Knoll trades.

Theye are more optimistic over the immediate prospects in the furniture market but say their main attention, is being drawn to the furnishing fabrics market at home and abroad.

They are continuing to look at opportunities such as Sanderson (recently sold to a U.S. company) since they believe that prospects for profitable growth are greater within the international textile market and that this could improve significantly the perception of the group in financial markets.

During the past year Parker Knoll Furniture achieved a modest increase in sales but profit fell as a result of start up costs in the Parker Care range of specialist chairs for the disabled.

For the current year, the directors are cautiously optimistic that an overall improvement in the market will increase sales.

In Nathan Furniture, losses were due to static sales in a depressed market and the disruption to production which occured during negotiations over the introduction of a new productivity scheme.

At G. P. and J. Baker and Parkertex Fabrics (textiles) the profit increase of 78 per cent was achieved by the exploitation of design, coupled with rigorous cost control, which enabled both the textile companies to improve margins.

Export sales contioued to grow strongly.

The group's textile merchanting companies aim to maintain the increased profit in the current year, despite the fact that certain costs such as advertising will need to rise to support the higher level of sales.

The old shuttle weaving shed at Colne has been closed to reduce unit costs and capacity to levels which will further improve Raymakers' competitiveness.

The directors do not think Raymakers' profits will return to past levels this year but believe that the worst may be over.

● comment

The surge in Parker Knoll's textile company profits produced a figure somewhat above less optimistic forecasts and the shares responded with a 31p rise to 220p. A number of one-off factors affected the textile division's performance and its contribution will not grow at the same rate this year, but a general all-round improvement should take group profits to £4m. After a 40 per cent tax charge, this has the shares on a prospective p/e ratio of 7—much to the chagrin of Parker Knoll, which feel it is entitled to the rating afforded the likes of Osborne & Little. In some respects its pique is justified: it is, after all, being given the rating of a furniture company when 60 per cent of its profits are coming from much more interesting quarters. Parker Knoll is no Laura Ashley but a modest double-figure multiple would not look out of place.

Michael Peters rises 64%

Michael Peters Group, design consultants, raised pre-tax profits by 63.6 per cent to £885,000 in the year to June 30 against £541,000 last time.

Mr Michael Peters, chairman of the expanding group, says Cockade, designers and constructors of exhibitions and displays, which it acquired last November, made an exceptional contribution to results.

Group turnover more than doubled to £6.21m compared with £2.92m. Earnings a share were 8.72p (5.2p) and the dividend is raised to 1.6p (1.22p), making 2.6p for the year against 2p.

Mr Peters says that, as a result of work on its expansion, the group is investing in future development and there have been some changes since the end of the year.

Retailing has grown considerably, he says, and there is now a separate company, Michael Peter Retail. Another new company, Diagnostics Market Research, is providing independent market research to a wide range of clients.

A new subsidiary, Michael Peters Financial Communications, based in the City, provides a service combining advertising, design and public relations with marketing and financial and commercial expertise.

The development programme is progressing well, he says, and this, combined with the growth potential of established businesses, gives him every confidence in the group's ability to achieve its ambitions.

Tax charges were £365,000 (£258,000), minorities took nothing (£2,000), giving attributable profits of £530,000 (£281,000). Amortisation of goodwill cost an unchanged £22,000.

● comment

The market, which had prepared itself for an immodest jump in profits from Michael Peters, got what it had been expecting. The shares after an excited surge at the end of last week, yesterday eased slightly to 240p, still well below the 280p high reached before the market started to rethink the premium ratings attached to glamorous people businesses. But Michael Peters, judging by these results, deserves such a rating; last year it sprouted out in all directions: it made an acquisition, set up two new subsidiaries, moved into much larger offices, and took on more staff and more clients. That turnover doubled while profits increased by only two-thirds seems to reflect the new mix of business and the lower margins on Cockade, and a further decline in the current year should not occur. While the company will not be able to repeat last year's growth rate in 1985-86, profits of £1.1m look well within reach. After a 40 per cent tax charge, the shares are on a p/e of about 22.

R. H. MORLEY GROUP, the USM polythene film and bag maker, suffered delivery and performance deficiencies in three of its four new extruders, and this the main reason for a fall in profits from £201,000 to £161,000 for year ended March 31 1985. Earnings 3.47p (4.27p) per share and dividend lifted to 1.5p on capital increased by rights issue (1.25p). Problems are now sorted out and company looks for increase performance in current year. At year-end net assets were £864,000 (£352,000) equal to 23.04p (14.08p) per share.

USM placing puts value of £12.8m on CPM

By Lucy Kellaway

CPM, the fourth sales promotion agency to join the USM, is being brought to the market via a placing of shares by Robert Fleming, and with a value of £12.8m.

The placing will consist of 2.3m shares at 125p each, representing 23 per cent of the company. Two-thirds of the shares are being sold by existing shareholders, and the remainder will raise approximately £750,000 for the company after expenses.

In 1967, Mr Richard Morris-Adam, chairman, acquired a business founded in the 1930s that provided auxillary salesmen to bolster a company's own sales team. The provision of large numbers of sales staff is still the company's core business, although it also has a creative sales promotion division and supplies a variety of other marketing services.

The group employs 100 permanent staff, but has a further 5,500 people throughout the country on its books, employed on a project basis.

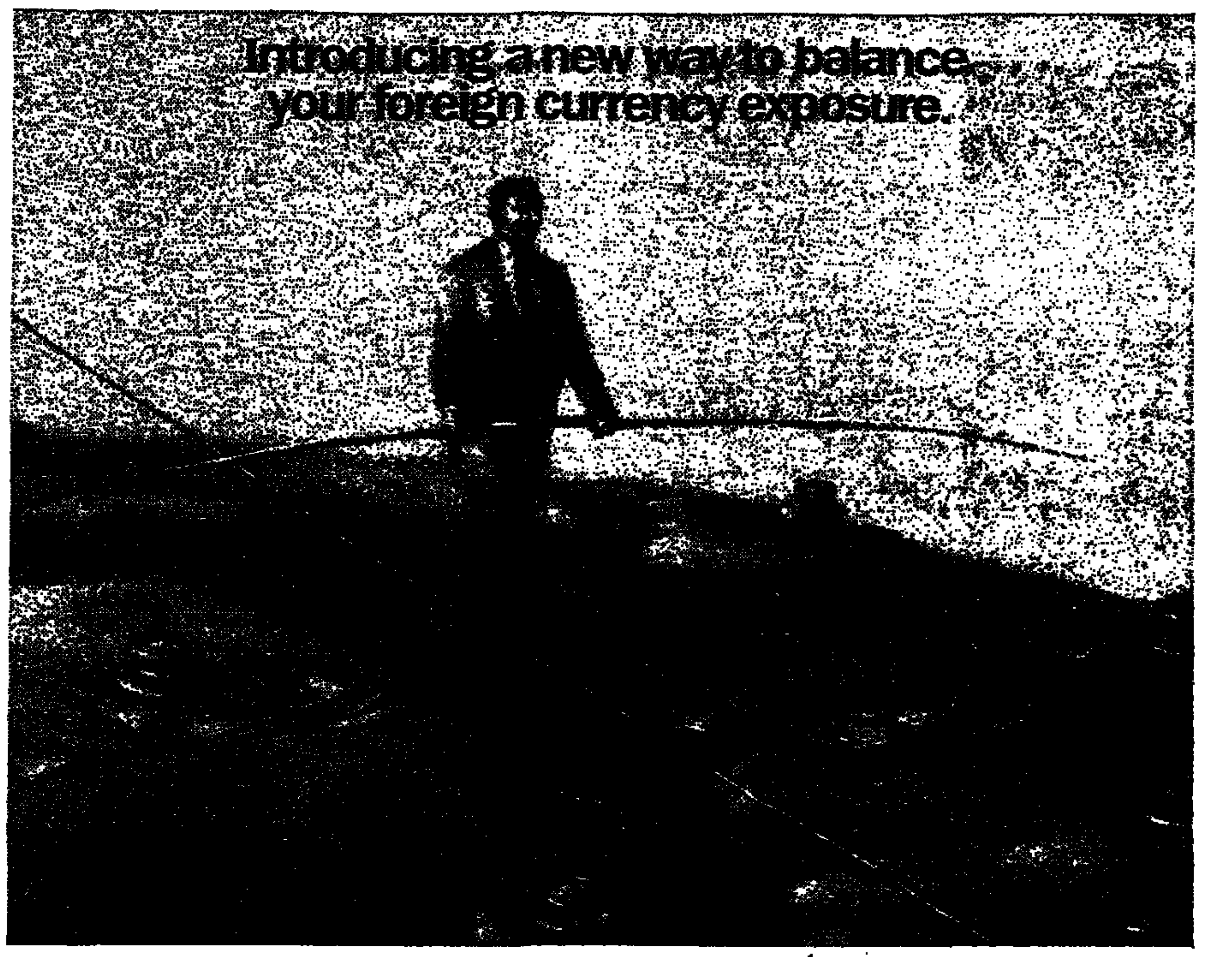
The company's turnover has risen from £1.9m in 1980 to £8.3m in 1984, while profits have increased from £65,000 to £559,000 over the period. For the current year to December, the directors are forecasting profits of not less than £1m.

On this basis, the shares are on a prospective price earnings multiple of 19.5 times after a tax charge of 41 per cent.

Brokers to the issue are Simon & Coates.

● comment

The businesses of CPM and its USM counterparts FKB and KLP are not as interchangeable as their names would lead one to believe. Unlike the others, CPM makes most of its money from contract sales rather than from consultancy. Sending teams of people round the country to attach ice lolly stickers onto fridges in sweet shops may sound like the down market end of the sales promotion industry. However, it seems to be enjoying the same sort of explosive growth as the rest of the market as companies increasingly rely on outside sales teams for their marketing drives. CPM also distinguishes itself by its age and the durability of its track record, and on a p/e slightly lower than the others in the sector. Mr Cecil Parkinson, a non-executive director, is thrown in for nothing.



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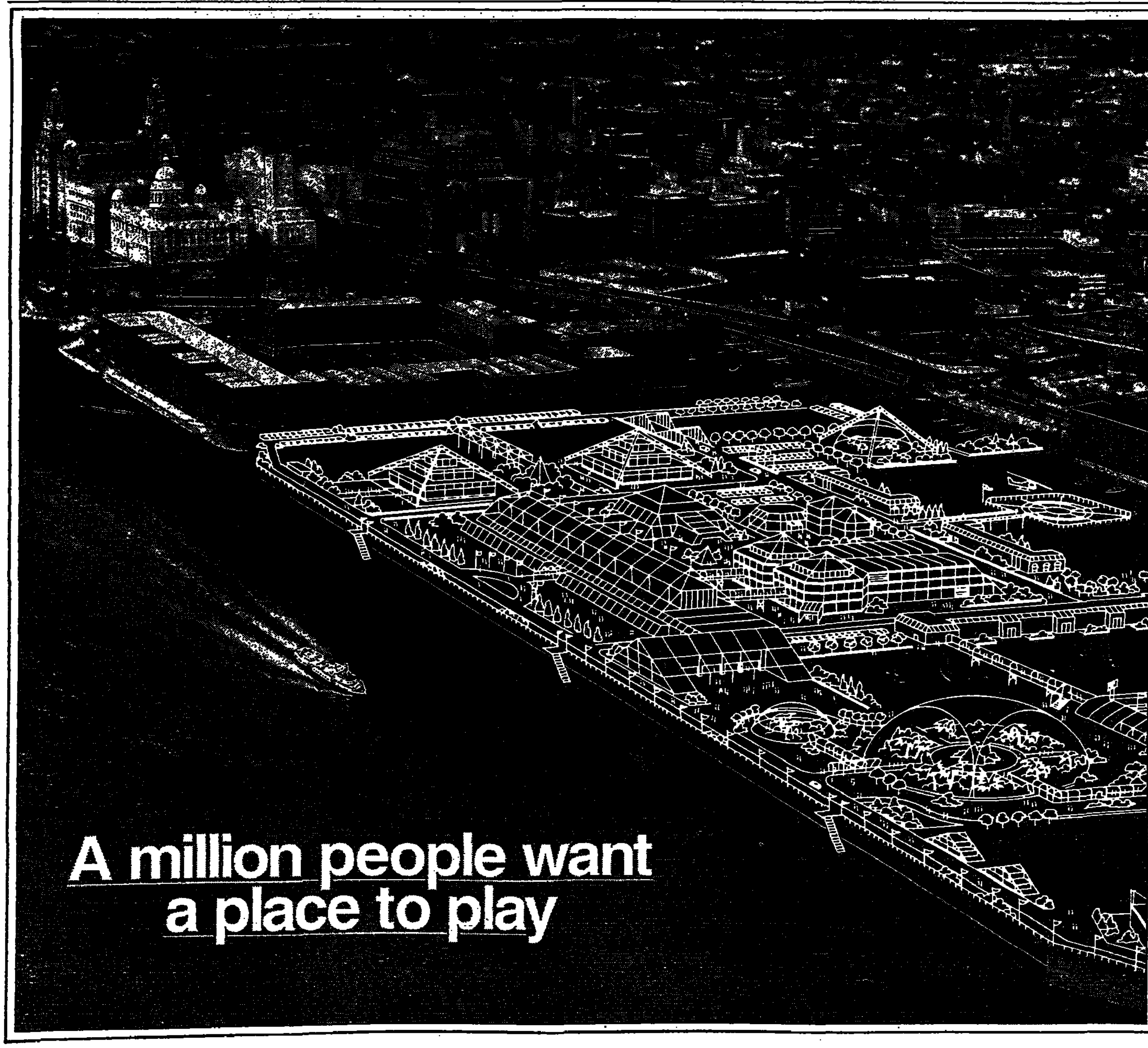

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COLD STORAGE HOLDINGS p.l.c.

The Directors announce the unaudited results for the six months to 31st July 1985.

	The Group 1985 S$000	The Group 1984 S$000	Increase/ (Decrease) %	The Company 1985 S$000	The Company 1984 S$000	Increase/ (Decrease) %
1. (A) Turnover	115,094	395,105	(70.9)	—	—	—
(B) Investment and other Income	9	34	(73.5)	1,952	5,032	(61.2)
2. (A) Operating profit before tax, minority interests and extraordinary items	6,121	8,707	(29.7)	4,824	6,942	(30.5)
Development profit	2,500	2,500	—	—	—	—
(B) Income derived from associated companies	954	(487)	295.9	—	—	—
	9,575	10,720	(10.7)	4,824	6,942	(30.5)
(C) Taxation	4,072	4,901	16.9	1,783	2,478	(28.0)
(DI) Profit after tax, before minority interests and extraordinary items	5,503	5,819	(5.4)	3,041	4,464	(31.9)
(DII) Minority Interests	841	1,782	52.8	—	—	—
(E) Profit before extraordinary items	4,662	4,037	15.5	3,041	4,464	(31.9)
(F) Extraordinary items (see Note III)	(2,274)	(1,404)	(62.0)	(157)	(1,428)	89.0
(G) Profit attributable to members of the company	2,388	2,633	(9.3)	2,884	3,036	(5.0)

NOTES:

I. Interest income	640	—	—	2,082	1,406	48.1
Interest expense	—	2,517	—	—	—	—
II. Depreciation	3,384	7,013	51.7	—	—	—
III. Extraordinary items	(2,274)	(1,374)		(157)	(1,428)	
Less minority interests	—	(30)		—	—	
Extraordinary items attributable to members	(2,274)	(1,404)		(157)	(1,428)	

3\. Turnover for the previous year included $82.7 million from the Malaysian subsidiaries of the group which, since restructuring, have become an associated investment, and $208.1 million from the Australian subsidiary, Foodland, which was sold prior to the last financial year-end.
Trading conditions continued to be difficult both for our subsidiaries in Singapore and for our Malaysian associate.
The extraordinary loss includes costs of closure, which had been foreseen, of three Fitzpatrick's supermarkets *following acquisition of the retail and wholesale businesses of Fitzpatrick's Limited from 1st July 1985.*

4\. Earnings per stock unit .... 3.7 cts 3.2 cts

5\. There was no material adjustment for income tax in respect of prior years.

6\. There were no pre-acquisition profits.

7\. The extraordinary items above (2F) include:

Profit on sale of investments	—	36	—	6
Loss on sale of properties	(34)	(55)	—	—

8\. The issued share capital has not changed since the last dividend was paid.

9\. *Trading conditions are not expected to change in the second half-year. The benefits which will arise from the* acquisition of Fitzpatrick's retail and wholesale businesses are not expected to have any immediate impact on results.

10\. DIVIDEND

Notice is hereby given that the Directors have declared, in respect of the year ending 31st January, 1986, and payable on 11th December, 1985, to stockholders on the register at that time, an interim dividend of Singapore 5 cents per share less Malaysian income tax (previous year Singapore 5 cents).

Notice is also given that the register of members of the Company will be closed from 2nd December, 1985, to 11th December, 1985, both dates inclusive, for the preparation of dividend warrants.

Singapore
20th September, 1985

By order of the Board
J. D. RAJ
Secretary

Cold Storage Holdings P.L.C.

UK COMPANY NEWS

Plotting the progress of a High Street merger

Sprucing up the range and image but evolution will take time

In the *aftermath* of a takeover, how does a predator company go about integrating its new acquisition? Terry Garrett examines the changes made by Dixons at Currys in the nine months since it won a bitter takeover battle.

Mr Stanley Kalms, chairman of Dixons

BY CHRISTMAS last, Dixons had won control of fellow high street retailer, Currys. After a bitter *fight the old established family* group had fallen to an offer of £240m.

But that was the relatively easy part for Dixons' management. *The victors then had to* take command and integrate a business with twice as many shops as Dixons. Overnight the sales base had doubled.

Yet Mark Souhami, Dixons' managing director of the retail division, was able to walk through the portals of Currys the morning he gained control with *an action list* of what he believed needed to be done.

For as soon as the bid had been launched the Dixons camp divided itself into two. The chairman, finance director and their respective aides went off to join battle with Currys. Mark Souhami and his retail men stayed behind to plot the *strategy*, confident they would win.

And to a large degree the Dixons' men were moving into virgin territory. The company *had enjoyed* a surge of organic growth throughout the seventies and early eighties as the public wholeheartedly embraced more and more electronic gadgetry.

But where Dixons was selling computers, cameras and televisions, Currys was dominated by fridges, washing machines and small electrical appliances such as kettles and irons—though it also sold televisions and radio alongside the more mundane *domestic appliances.*

Mr Souhami had already planned who would move across

Dixons

from Dixons and who in the Currys' hierarchy he wanted to retain.

In under a week all six Curry family members on the main board left the company. "We had to stop the concept of the family *holding positions simply* because they were the family."

Dixons quickly put its stamp on Currys' top management by appointing its own managing directors or marketing directors of the various divisions.

Yet, as Mr Souhami is at pains to point out, 99 per cent of the staff who are at Currys today were there *under the leadership* of the family.

Ernst & Whinney, the City accountants retained by Currys during its defence, were asked by *Dixons to complete* a management review of what made the Currys business tick.

Within weeks Mr Souhami had a six-volume report sitting on his desk. He believes this gave him an *invaluable insight into* the group and went a long way to validating many of the preconceptions that he and his team had evolved when they were *putting together the initial plan* for action.

The rental business was quickly extricated and sold to Visionhire and hire purchase operations were sub-contracted to Lombard Tricity Finance. These were things that Dixons had wanted to accomplish from the outset and the accountant's report *ratified the sums.*

The Ernst & Whinney work *did, however,* shoot down some of the preconceptions Mr Souhami held. For example, until he saw the numbers in black and white he did not think that *Curry's out-of-town* retailing business would remain within the fold.

It became patently obvious before Mr Souhami was half way through the six *volumes that* Curry's had become overloaded with a bureaucratic administration which had stifled the real business of successfully buying and *selling electrical goods.*

"The administrative machinery was *cumbersome,* the *computer* systems old-fashioned and the whole framework of the company was overloaded with paperwork." Stripping away the *everything-in-triplicate-mentality* was a priority task.

The positive actions included applying many of the shop-keeping disciplines learnt at Dixons. Currys was a "supreme dabbler," according to Mr Souhami. It would stock a little bit of everything but would fail to give coverage in all its stores of the *best selling lines.*

And Currys failed to provide basic customer information on, for example, the dimensions of the kitchen equipment it was selling. The approach was stuck in an era before fitted kitchens.

To achieve the right product in the right presentation more emphasis will be put into own-label lines. Under the family's control the group had failed to *capitalise on* its number one slot in white goods retailing with a strong own-brand. The Carlton names sounded impressive enough but perhaps fell short in terms of technical achievement and price.

The Dixon's men are currently sprucing up the range and image of Carlton, although it will be *spring* before a full-scale re-launch can be tackled.

More immediate action has been achieved on the brown goods. Currys' now has its own *line, Matsui, covering televisions,* videos, audio and so on. The idea is to create a superior brand image in the same way that Dixons has the Saisho label. It *is no coincidence* that both names have a Japanese ring to them.

Electric point of sales terminals are being rapidly placed throughout the chain. *So far 200 of the* 580 stores Dixons inherited have installed EPOS and the change over will be complete by April.

The transition is time consuming but the cost is relatively low —just £8m for the complete programme—and the benefits are far reaching in terms of efficient sales information which can spur better buying and marketing decisions.

Many of the Currys stores are being refurbished, up to 100 will be tackled this year at a cost of about £12m though surplus *properties* are being sold generating £25m to £30m of cash. And pulling cash out of the Currys operation has *been* a priority for its new owners.

Immediately after the acquisition Dixons' debt had jumped to above £130m — balance sheet *gearing of over* 90 per cent.

Shedding the rental business injected £28m. The run down of hire purchase debtors, now that Lombard Tricity underwrites all new *business, means* an inflow of a further £50m. Even with a sizeable capital investment plan for Curry's Egon von Greyerz, finance director is projecting balance sheet gearing of only 20 per cent come year-end.

The rest of the High Street will be watching developments with keen interest. Despite Currys' odd mixture of white goods selling alongside brown goods most of the new breed of retailers and City analysts believe that a video alongside a washing machine is a marketing failure.

That was one of the reasons *for Currys' sluggish performance* in earlier years, the critics would *claim.*

Mr Souhami remains adamant that it can be done successfully. *"It is no use saying what you* want Currys to be. It is what it is. It sells brown and white goods in an essentially domestic and family environment (in contrast *to Dixons). There is no point* trying to revolutionise Currys and there is no reason why

Currys

brown goods can't be *sold alongside white."*

So far the results prove his theory correct. Extra sales are being generated and Currys' market share of televisions, fridge-freezers, washing machines and *so on* has substantially increased within a relatively brief time frame.

And unless Dixons has been supremely lucky Mr Souhami and the City onlookers must assume that there is a relationship between what has been done and what is being achieved.

Evolution takes time however. According to *Mr Souhami "it* will take two and a half years to bring the shops up to the standard of excellence we demand and maximise their returns."

A first article, published in last Friday's FT, looked at Northern Foods's acquisition of Bowyers.

This announcement appears as a matter of record only. September, 1985

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(Kabushiki Kaisha Fuji Ginko)

(Incorporated with limited liability in Japan)

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2¾ per cent. Convertible Bonds 2000

Issue Price 100 per cent.

(European Tranche U.S.$80,000,000)

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2¾ per cent. Convertible Bonds 2000

Issue Price 100 per cent.

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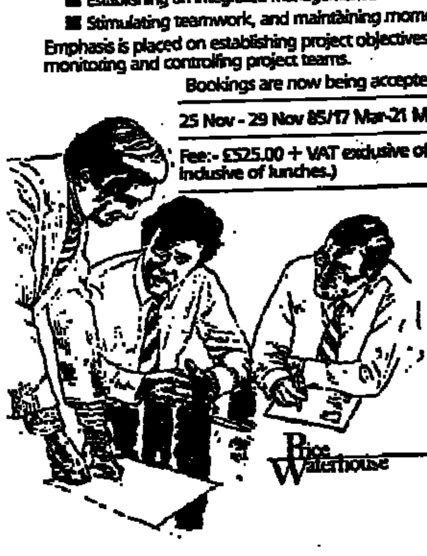

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COTSWOLDS ON EDGE OF FAMOUS VILLAGE
QUALITY 3-STAR GEORGIAN COUNTRY HOUSE HOTEL.
15 letting bedrooms (all en suite). Exquisite public rooms.
£91,983 profits on net T/O £336,780 — fast increasing.
£590,000 freehold complete.

EDGE OF ENGLISH LAKES IN 4 ACRES 2 MILES M6.
HIGHLY SUCCESSFUL FULLY LICENSED HOTEL COMPLEX.
56 bedrooms (all en suite), conference room, ballroom suite (110).
£70,581 profits net T/O £362,872 — increasing.
£400,000 freehold complete.

Full particulars from the Sole Selling Agents at:
Cotswold House, Cirencester, Glos. Tel. (0285) 2238

HOTEL/RESTAURANT FOR SALE
Excellent location close to Motorways, National Exhibition Centre and Birmingham International Airport. Scope for additional 50 bedrooms and Conference Room.
Present Turnover £600,000
Apply for details and initial discussions to:
Box H0240, Financial Times 10 Cannon Street, London EC4P 4BY

HAMPSTEAD N.W.3
17th Century Historic
LISTED FREEHOLD HOUSE
now partly used by owner as Fully Licensed Restaurant
Price: £225,000
Telephone mornings 01-794 4667

COMMERCIALLY BASED 38 bedroomed, 3-star hotel (33 en suite) with full on licence, T/O £570,000 (audited). Freehold £485,000. Telephone Halifax Hogg & Co. for details (0202) 477338.

Contracts and Tenders

REPUBLIC OF GUINEA-BISSAU
Petroleum Exploration
Acreage Offering

THE MINISTRY OF NATURAL RESOURCES AND INDUSTRY of the REPUBLIC OF GUINEA-BISSAU and PETROMINAS, the national oil company, are pleased to announce that applications for the second round of petroleum exploration licensing will be accepted during the first quarter of 1986.

Two meetings will be held to present the geological and geophysical interpretation of the new seismic offshore coverage, as well as to provide information on the Petroleum Law, the Model Agreement and fiscal terms relevant to the present offering. The representatives of GUINEA-BISSAU and its consultants will be present.

The meetings will be held at 9 am on Wednesday, 16 October 1985 at the Westin Oaks Hotel in Houston (Tel: 713-623 4300) and at 10 am on Wednesday, 23 October 1985 at the *Strand Palace Hotel in London* (Tel: 01-836 8080). Lunch will be served. The presentation is scheduled to end at 3 pm and 4 pm, respectively, after which the *GUINEA-BISSAU* delegation will be available for discussions with individual companies. Companies may also shcedule discussions on the following day between 9 am and 5 pm. Companies who wish to attend are kindly requested to contact:

contact:
THE MINISTER OF NATURAL RESOURCES AND INDUSTRY
EMPRESA NACIONAL DE PESQUISA E EXPLORACAO
PETROLIFERAS E MINERAIS (PETROMINAS)
CAIXA POSTAL 387
BISSAU
REPUBLIC OF GUINEA-BISSAU
Telex: 260 PETRO BI

Companies may also contact Mr. Rudy Prince at Digicon Inc. in Houston (Tel: 713-526 5611. Telex: 791248) or Mr. Armen Sahakian in London (Tel: 01-491 2924, Telex: 22193) and are requested to indicate the names and positions of persons who will be attending.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy & Chemical & Petrochemical Industries)
ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploitation Company)
NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS NUMBER 1177/1J/MEC

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:
— Spare parts for MAN Tractors.
Tenderers interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AU PUITS (ENTP)
16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH,
ALGIERS, ALGERIA
Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Dinars, with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a closed double-sealed envelope by registered mail to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplied Division) at the above address.

The outer envelope should bear no mark that might identify the tenderer, or any heading, and should read: "AVIS D'APPEL LA CONCURRENCE OUVERT NATIONAL ET INTERNATIONAL No. 1177/1J/MEC—CONFIDENTIEL—A NE PAS OUVRIR" (National and International Open Call for Tenders No. 1177/1J/MEC—Confidential—Do Not Open). Tenders must be received within 45 days after this notice is published.
Tenderers shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

Companhia Vale do Rio Doce

BRAZIL
CARAJAS IRON ORE PROJECT
INVITATION TO BID
No. CA-034
CRAWLER TRACTORS

CVRD—Companhia Vale do Rio Doce will purchase two Crawler Tractors, with power in the 300/350 HP range, through International Competitive Bidding. CVRD received a loan from the International Bank For Reconstruction and Development (World Bank), towards the cost of Carajás Iron Ore Project and intends to apply the proceeds of this loan to eligible payments under the contract for which this Invitation to Bid is issued.

Participation in this Bid is limited to Suppliers established in all member countries of the World Bank, as well as in Taiwan and Switzerland.

The instructions, specifications and forms which comprise the Bidding Documents will be available upon a non-refundable payment of US$100 (one hundred dollars) or the equivalent in other currencies, at the following address:

COMPANHIA VALE DO RIO DOCE
Superintendencia de Compras e Material — SUMAT
Avenida Graça Aranha, 26-6° andar
CEP 20005 — Rio de Janeiro — RJ
Brasil
Telex — (021) 23162

Sealed Bids will be received at the above mentioned address, until November 5, 1985, at 2:00 PM, Rio de Janeiro time.

Each Bid shall be accompanied by a Bid Bond for the amount of US$20,000 (twenty thousand dollars) or the equivalent in other currencies.
Rio de Janeiro, September 24, 1985

Purchasing and Material Superintendency

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy & Chemical & Petrochemical Industries)
ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploitation Company)
NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS NUMBER 1186/1J/MEC

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:
— Spare parts for FIAT 300 PT Tractors.
Tenderers interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AU PUITS (ENTP)
16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH,
ALGIERS, ALGERIA
Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Dinars, with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a closed double-sealed envelope by registered mail to thte Secrétariat de la Direction des Approvisionnements (Secretariat, Supplied Division) at the above address.

The outer envelope should bear no mark that might identify the tenderer, or any heading, and should read: "AVIS D'APPEL LA CONCURRENCE OUVERT NATIONAL ET INTERNATIONAL No. 1186/1J/MEC—CONFIDENTIEL—A NE PAS OUVRIR" (National and International Open Call for Tenders No. 1186/1J/MEC—Confidential—Do Not Open). Tenders must be received within 45 days after this notice is published.

Tenderers shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy & Chemical & Petrochemical Industries)
ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploitation Company)
NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS NUMBER 1187/1J/MEC

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:
— Spare parts for CLARK Cranes.
Tenderers interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AU PUITS (ENTP)
16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH,
ALGIERS, ALGERIA
Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Dinars, with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a closed double-sealed envelope by registered mail to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplied Division) at the above address.

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Tenderers shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

Company Notices

Bow Valley Investments B.V.
US$40,000,000 8% Convertible Subordinated Guaranteed Debentures due 1995
"Convertible Debentures"

In Accordance with Paragraph 6.16 of the Trust Indenture, Notice is hereby given that the holder of each Convertible Debenture shall have the option to cause the Company to redeem such Convertible Debenture on December 15, 1985 at a redemption price of 125 per cent. of the principal amount thereof together with accrued interest to the date of redemption, upon the deposit, at any time on or after October 15, 1985 and not later than November 15, 1985, of such Convertible Debenture with one of the Paying and Conversion Agents, accompanied by a written option notice (an "Option Notice"); provided, however, that such deposit shall not be effective unless it takes place prior to the date of any publication of a notice of redemption with respect to such Convertible Debenture as set forth by the company under either section 4.02 or 4.03 of the Trust Indenture.

Debentureholders who have deposited such Option Notice shall retain the right to require such Convertible Debentures to be converted into common shares provided that notice to such effect is received as provided in the Indenture on or prior to December 15, 1985 by the Paying and Conversion Agent holding the Option Notice and Convertible Debentures to be converted.

Applicable Convertible price is Can$23⅛ per common share (With a fixed rate of exchange applicable on conversion of US$1.00 = Can$1.2007) and the closing price of the common shares on the Toronto Stock Exchange on September 20, 1985 was Can$14¼.

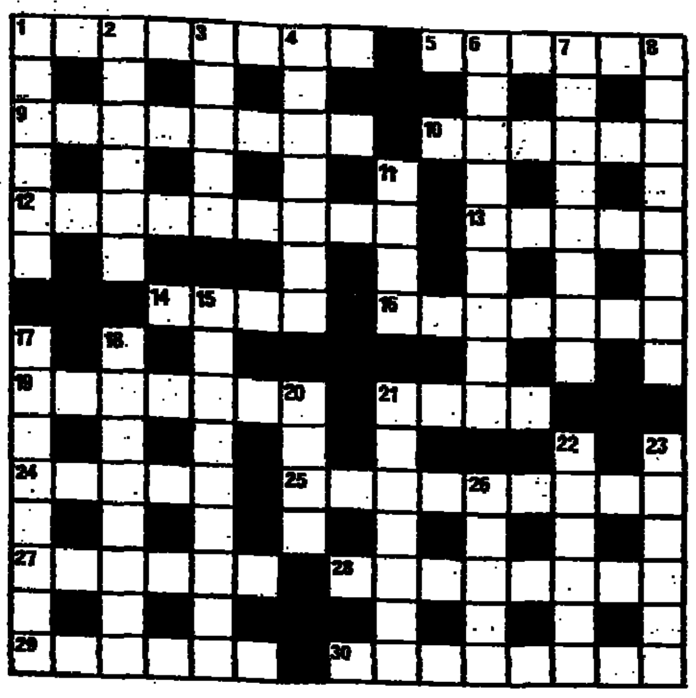
Option Notices will be available from the undermentioned Conversion Agents.

Principal Paying and Conversion Agent
Orion Royal Bank Limited
1 London Wall, London EC2Y 5JY
Paying and Conversion Agents
Banque Internationale à Luxembourg S.A.
2 Boulevard Royal, PO Box 2205
Luxembourg
Swiss Bank Corporation
Aeschenvorstadt 1, CH4002 BASEL

September 24, 1985

ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

F.T. CROSSWORD PUZZLE No. 5,829



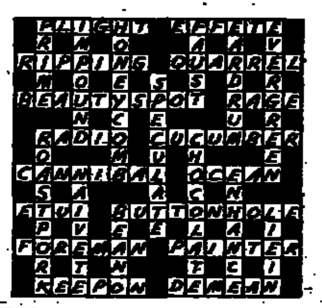
ACROSS

1 Hogan accepts oil prepared for the young ruffian (8)
5 Writing about trips around October 2nd (6)
9 Possibly a slim brown envelope for the charm (8)
10 Left Rose changing behind the first coach, which is nearer (6)
12 Arranges to find the mechanics (9)
13 Steals chips (5)
14 Cautious centre - forward always gets right inside (4)
16 Drawing which explains back support with little weight (7)
19 A clergyman (one leaving a big church) (7)
21 Set manners (4)
24 It's something that's charged after you put on a bulb (5)
25 Copper wire lying around on the way (9)
27 He sits rewriting a dissertation (6)
28 If in France is after a chap, that's plain (8)
29 Hidden, yet a tin-opener is found in fast time (6)
30 Introduced fashionable desert transport (8)

DOWN

1 Holyhead trade organisation causes enmity (6)
2 Constrain to put 50% of the lights in order (6)
3 The dramatist has bismuth when retiring, nurse (5)
4 Bill and me turned up in the new day school (7)
6 Set of columns outside a London free church (9)
7 Sure nice doctor's unsafe (8)
8 Boring drunk tries to ring me (8)
11 Ushered her out when exhausted (4)
15 Heed an order from the drill sergeant (9)
17 Never-to-be-forgotten wicked knight's last in (8)
18 Using about ten detectives during a public disturbance (8)
20 Sweet music? (4)
21 Hold on, I can't move (7)
22 Aim the thing! (6)
23 Arranged to come back with the man being tried (6)
26 Race poor Bert round the Island (5)

Solution to puzzle No. 5,828



APPOINTMENTS

New chief executive for Bowater Freight Services

The UK forwarding and transport activities of BOWATER FREIGHT SERVICES — parent company of forwarders Baxter Hoare—have been restructured into a single operating group and a new chief executive appointed. The move becomes effective on October 1. Heading the UK group is Mr Robert Kelly who for the last four years was managing director of Thomas Meadows. Two haulage, distribution and forwarding companies, and an international merchandising company, are also involved in the changes. They are: Roba (UK), Harlow; William Nuttall and Sons, Manchester; plus certain merchandising companies within the Bowater Freight group. Mr Kelly will assume responsibility for their overall activities as well as for the day-to-day running of Baxter Hoare, as its managing director. He replaces Mr Peter H. Norman who has been promoted to the Bowater Freight Services board as commercial director. Mr Norman replaces Dr Brian Roscoe who has transferred to the company's U.S. subsidiary, Imperial Air Freight Services Inc., based in the UK.

Coincidental with these changes, Mr John Von Spreckelsen, chief executive and managing director of Bowater Freight Services, relinquishes his chairmanship of Baxter Hoare but remains on the board. He will be succeeded by Mr Christian Williams whose position remains executive director of Bowater Freight Services, responsible for the UK and Far East operations.

★

Mr Brian H. Wilmot has been appointed a director of CALOR GROUP, a wholly-owned subsidiary of Imperial Continental Gas Association (IC Gas). He is group finance director of IC Gas. Mr David J. Mitchell, managing director of the Calor Group, has been appointed a member of the IC Gas executive committee.

CONTRACTS

Burroughs Machines wins £12m systems orders

BURROUGHS MACHINES has received advance orders worth over £12m for its S40 desk-top document processing system. The corporation's new FSA (Financial Systems Architecture) is a range of branch automation systems for banks, building societies, post offices, public utilities, retail stores and insurance companies. The orders come from three of the UK and Ireland's leading clearing banks: National Westminster Bank, Lloyds Bank and Ulster Bank, which have each ordered large numbers of S40s for installation in their branches. These compact document processing systems will improve the efficiency of handling cheques at branch level and will position these banks well for future moves in automated cheque handling.

★

Eastern Electricity has placed a £6.3m order with HONEYWELL following the establishment last year of a complete new computer management team. The new installation will be based on Honeywell's DPS 88 mainframe and it will be used to handle all of Eastern Electricity's accounting, engineering, marketing and administrative systems. The equipment will be installed at Eastern Electricity's headquarters in Ipswich by March 1986. The board's four existing Honeywell DPS 8/70 mainframes will then switch over to development and backup work.

★

ASEA HAGGLUND is to supply hydraulic deck machinery worth around £2m to Sunderland Shipbuilders. The machinery is for the 4000 ton SWL monohull crane ship ITM Challenger, which Sunderland Shipbuilders is building for ITM (Offshore). The order comprises complete mooring winch systems including power packs and controls integrated with the vessel's dynamic positioning system. The eight winches, each with a pulling power of 180 tons, are based on technology developed by another group company, Hagglund Lidan, and will be manufactured in co-operation with Head Wrightson Teesdale. The winches will feature dynamic disc brakes with watercooled pads. ASEA Hagglund, will also supply Stone Vickers with hydraulic azimuthing drives for the vessel's eight thrusters.

★

S. BRIGGS AND CO of Burton-on-Trent, a member of the Anglo Nordic Group, has won a £2m brewhouse contract from Courage Brewing, Bristol. The brewhouse is scheduled to be on stream in early 1987.

INTERNATIONAL FUND MANAGEMENT

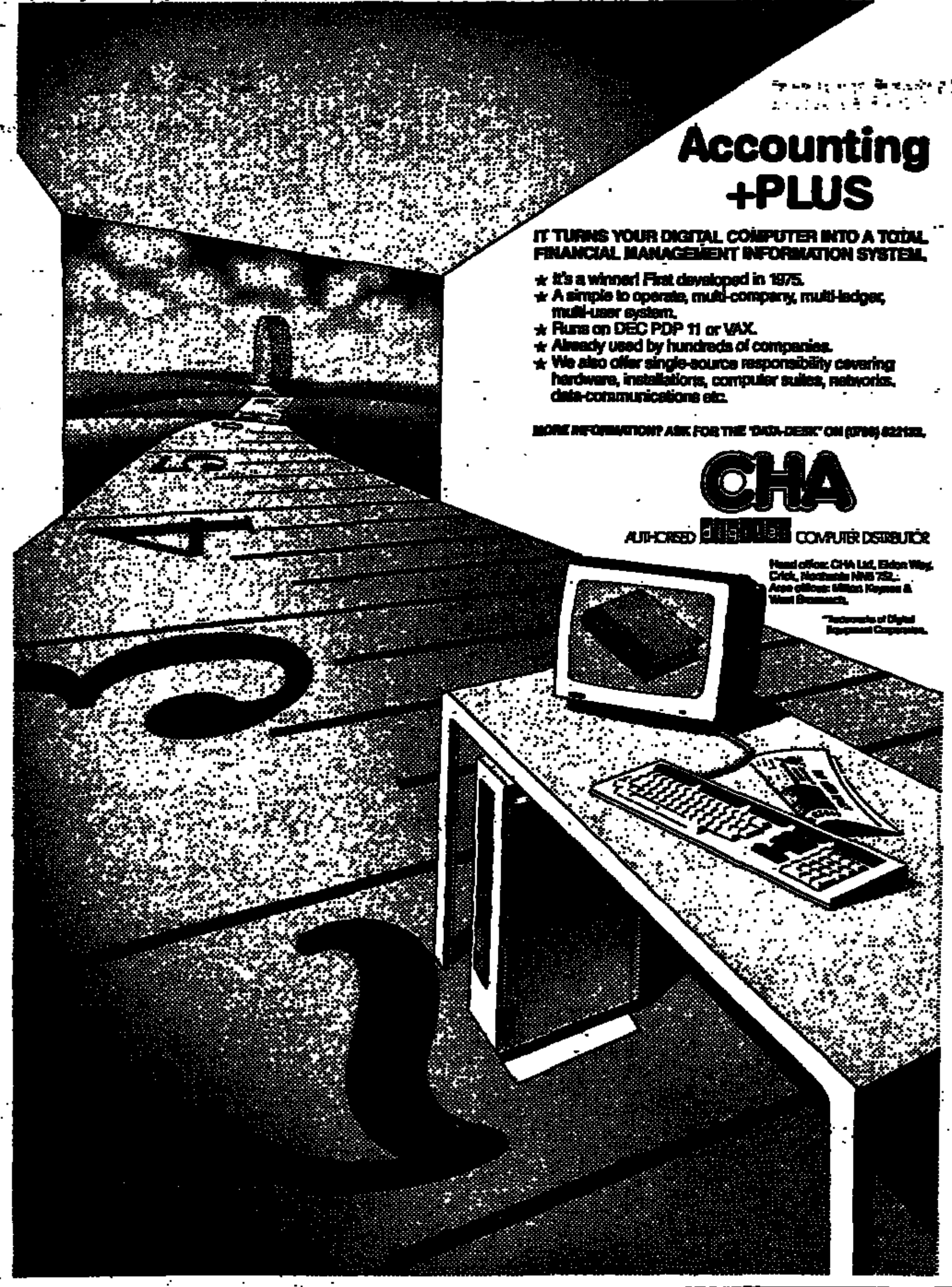
Each year the Financial Times produces an important and informative Survey on International Fund Management. This year the impact of technology on trading systems, the diversification of markets, types of management, bonds, equities, property, futures and options are being examined.

Publication Date: Wednesday, November 6

For details of advertising rates contact:

Michael Bampfylde
Financial Times
Bracken House
10 Cannon Street
London EC4P 4BY
Telephone: 01-248 8000

Publication date is subject to change at the discretion of the Editor



NOTICE OF REDEMPTION

To Holders of

U.S. $100,000,000 GMAC Overseas Finance Corporation, N.V.

9¼% Notes due July 1, 1986

Notice is hereby given that pursuant to paragraph 8 of the Notes and Section 4 of the Fiscal and Paying Agency Agreement dated as of June 13, 1979 between GMAC Overseas Finance Corporation, N.V. (the Company) and Chemical Bank, Fiscal and Paying Agent, the Company hereby gives notice of its election to redeem all of its 9¼% Notes due July 1, 1986. The date fixed for redemption shall be October 10, 1985 and the Notes will be redeemed at the price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption. After October 10, 1985 the Notes will cease to accrue interest. The Notes will be redeemed upon presentation and surrender together with all appurtenant coupons, if any, maturing on and after the date fixed for redemption at the principal office of the fiscal agent, Chemical Bank, 55 Water Street, Corporate Trust Department in New York City or at the principal offices of Chemical Bank, London, Paris, Frankfurt Am Main, Zurich and the principal offices of Banque Generale du Luxembourg S.A. in Luxembourg and Banque Bruxelles Lambert S.A. in Brussels, Belgium.

Chemical Bank, *Fiscal and Paying Agent*
on behalf of:
GMAC Overseas Finance Corporation, N.V.

Dated: September 10, 1985

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	63.6	67.7	0.4	3.17
Accum Units	94.0	100.0	-0.7	3.17
Pearl Inc	89.1	94.8	-1.0	5.19
Pearl Unit Tst	93.0	98.9	-0.8	3.25
(Accum. Units)	157.2	167.2	-1.4	4.25

Perpetual Unit Trust Mngmt. (a)
48, Hart Street, Henley on Thames. 0491 576868

Growth	182.8	196.3	-3.5	1.97
Income	142.3	152.4	-0.9	5.43
Worldwide Recovery	102.3	109.8	-1.4	2.67
American Growth	52.4	56.2	-1.8	1.02
Intl. Emerging Cos.	57.2	61.4	-0.8	0.74
Far East Growth Fd	45.2	48.5	-1.2	1.0

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	98.4	105.4xd	-0.3	0.34
Prolific Extra Inc	62.1	66.1xd	-0.3	6.11
Prolific Gilt Cap	83.8	87.2	+0.4	3.19
Prolific High Inc	134.5	143.1	-0.5	5.21
Prolific Intl	80.2	85.4	+0.3	1.82
Prolific N. Amer	107.8	115.1	+1.2	2.66
Prolific Spec. Sits	145.0	154.3	-0.1	1.61
Prolific Technology	93.8	100.5	+0.5	1.06

Providence Capital Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	48.6	51.5	-0.5	--
Worldwide	47.3	50.1xd	-0.8	1.99
European Trust	53.0	56.3		2.14
North American	45.1	47.8	-2.9	2.57
UK Equity	50.8	53.8	-0.2	3.96

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-69, Ilford Hill, Ilford, Essex, IG1 2DL 01-478 3377

Holborn Equity Tst	321.8	342.3	-2.2	3.72
Holborn European Trust		50.0		1.00
Holborn Gilt Tst.	157.6	164.9	+2.1	8.61
Holborn High Inc	55.6	59.1xd	+0.1	7.24
Holborn Intl Growth	59.7	63.5	-1.4	0.42
Holborn Japanese Trust		50.0		0.06
Holborn N. Amer. Trust		50.0		1.27
Holborn UK Growth	63.7	67.7xd	-0.4	2.97

Quilter Management Co. Ltd.
31-45 Gresham Street, EC2. 01-600 4177

Quadrant Gen. Fd.	325.8	346.6		3.70
Quadrant Income	180.3	191.9		5.88
Quadrant Intl Fund	282.5	297.4	-15.1	1.61
Quadrant Recovery	196.3	208.9		2.75

Reed Stenhouse Inv Services Ltd
145 Borough High St, Ldn SE1 1NV 01-628 6011

Wellington Inc.	52.0	55.4		6.00
Wellington Growth	106.9	113.7		2.00

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188. Dealings to 0264 63432-3

TSB American	87.0	92.6xd	-3.7	1.75
Do Accum	90.6	96.4	-3.9	1.75
TSB Extra Income	83.0	88.3xd	-0.3	6.41
Do. Accum	95.5	101.6	-0.3	6.41
TSB General	119.4	127.0	-0.8	3.46
Do Accum.	193.3	205.6	-1.4	3.46
TSB Gilt & Fxd Int	47.7	49.7	+0.4	9.32
Do. Accum	58.7	61.2	+0.6	9.32
TSB Income	166.5	177.2	-0.4	4.99
Do Accum	251.1	267.2	-0.7	4.99
TSB Pacific	98.7	105.1	-0.9	0.76
Do. Accum.	101.3	107.8	-0.9	0.76
TSB International	220.3	234.4	-5.7	2.07
Do Accum	268.0	285.2	-7.1	2.07
TSB Natural Resources	43.5	46.3	+0.1	2.13
Do. Accum	43.8	46.7		2.13
TSB Sitd. Opps.	47.0	50.0xd	-0.1	2.46
Do. Accum	51.2	54.5	-0.1	2.46

3I & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Small Co's Fund	64.2	68.7	-2.5	0.10

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

American Eagle	62.0	66.3	-1.4	0.45
Australia	29.5	31.5	-0.2	0.10
Commodity	83.6	89.4	-0.4	2.90
Energy	37.6	40.2	-0.2	0.34
Equity	100.8	107.6	-0.7	3.95
European Spec. Sits.	55.3	59.2	-0.4	0.75
Extra Income	91.0	97.3xd		7.58
Financial	200.5	213.9xd	-1.1	2.35
Gilt Capital	225.7	236.3	+2.9	3.25
Gilt Income	101.1	105.9xd	+1.2	8.45
Gold Income	56.6	60.6	-0.9	1.63
Gold Acc	102.3	109.5	-1.6	1.63
Income	58.8	63.2xd	-0.1	5.66
Japan	43.9	46.8xd	-0.3	0.10
Malaysia & Singapore	23.5	25.1	-0.2	0.80
Pacific Income	60.0	64.2xd	-1.4	0.51
Pacific Re Inv.	73.6	78.7	-1.8	0.51
Preference Share	16.0	17.3xd		10.10
Professional	493.6	526.5	-1.2	2.08
Special Sits	76.0	81.3xd	-0.8	1.03
Technology	37.6	40.2	-0.8	0.10
U.S. Special Bond	47.0	50.3xd	-1.5	6.60
Worldwide Capital	106.6	113.8	-1.2	1.76
Equity Exempt Sept 11	634.5	676.8		2.42
Equity Ex Acc Sept 11	1166.2	1243.9		2.42

Temple Bar Unit Trust Mgrs Ltd
P O Box 442, 32 St Mary-at-Hill, EC3. 01-623 9333

Electra Small Cos. Fd.	123.96	130.78		4.16
High Income	41.7	44.7	+0.2	7.17
North American	94.4	100.4xd	-1.3	1.03
Recovery	128.0	136.2	-0.2	3.48

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$11.52		+0.11	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.08		+0.05	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$9.21		...	—
Dynamic Gwth Fd	$8.30			—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.30	—	—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.26	8.42	12.49	6mth
7-day Fnd	11.47	8.57	12.71	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.33	8.47	12.47	6-Mth
7-day Fund	11.40	8.52	12.54	6-Mth
Dollar		6.65	—	6-Mth
Money Mngt. Acct.	11.00	8.22	12.27	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Chq Acc	11.25	8.00	11.93	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.25	8.41	12.58	Qtr
Mth. Int. Chq.	11.125	8.32	12.36	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	11.00	8.22	12.18	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.0	8.25	12.32	Qtr
Britannia Investment Services Ltd. 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	11.13	8.32	12.34	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.13	8.29	12.34	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings St Martins Hse, Hammersmith Grove 01-748 9251				
Money Market Plus	—	9.57	14.38	Mth
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543.				
£500-£2,500	9.50	7.10	10.41	Qtr
£2,500 +	12.00	8.97	13.26	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	11.00	8.22	12.27	Qtr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG 01-631 3313				
Cheque Deposit Acc	11.50	8.59	12.98	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	11.00	8.22	12.18	Mth
Lloyds Bank PLC 71 Lombard St, London, EC3P 3BS. 01-626 1500				
HighIntCheque Account	11.25	8.25	12.32	Qtr
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
14-Day Notice	11.500	8.596	12.280	—
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
H.I.C.A.	11.125	8.31	12.35	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc	10.70	8.00	11.92	Qtr
£10,000 +	11.17	8.35	12.47	Qtr
Provincial Trust (formerly Choularions) 90 Ashley Rd, Altrincham, Cheshire 061-928 9011				
Cheque Acc	11.50	8.60	13.00	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	11.0	8.22	12.27	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	10.70	8.00	11.89	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol. 0272 732241				
Demand Acc	11.25	8.41	12.56	Qtr
Money Acc	11.20	8.37	12.50	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc	10.90	8.15	12.30	Mth
Over £10,000	11.15	8.33	12.60	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc	11.44	8.55	12.41	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	40
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Debenhams	32	**Property**	
Distillers	36	Brit Land	14
FNFC	12	Cap Counties	20
Gen Accident	55	Land Secs	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Brit. Oil & Min	3½
GKN	20	Brit Petroleum	45
Hanson Tst.	18	Burmah Oil	27
Hawker Sidd	36	Charterhall	4
ICI	42	Premier	5
'Imps'	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	38	Rio T Zinc	58

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Metal prices plunge with dollar

BY STEFAN WAGSTYL

STERLING METAL prices plunged on the London Metal Exchange yesterday as the pound rose against the U.S. dollar following the weekend meeting of the finance ministers of the Group of Five major industrial nations in New York.

This reaction was mirrored by a sharp rise in dollar prices in London and in New York, as traders rushed to keep up with the rapid changes in the currency markets.

On the LME, sterling prices were the lowest for about two years, with aluminium, copper, nickel and zinc all closing at levels last seen in 1983.

Traders said they were frantically busy keeping track of the currency changes. Some were at times reluctant to quote sterling prices at all for metals which are heavily traded in dollars, notably aluminium and nickel. One said: "It was rather hairy keeping track of everything."

Another trader said: "these days we're more like currency dealers than commodity traders."

The only metal to stay relatively unmoved by the action on the foreign exchanges was lead, just as earlier in the month it reacted sluggishly to previous swings in the dollar/pound exchange rate.

The sterling price fall in zinc was especially marked, reflecting an underlying weakness in demand highlighted by the fact that the Canadian company Noranda announced that it was falling into line with other producers in cutting its European price from $830 to $780 a tonne.

The price fall in nickel was limited to £62.50 to £3,200 for three-month metal by some support buying from a producer, in contrast to last week when producers were conspicuous by their absence. The dollar price rose 5 cents to $2.15 a pound.

Gold reacted to the fall in the dollar by rising $8 to $327.25-327.75 a troy ounce on the London bullion market, after touching a peak of $330.50-$331.00. However, traders said that this was a relatively modest response to the turmoil on the foreign exchanges.

● The fall in the dollar is likely to be high on the agenda of the International Tin Council, whose members include both producers and consumers, which meets in London today. The council's producer members are concerned that any disruption on the foreign exchange markets might weaken the buffer stock manager's ability to defend the tin price.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Changes during week ending Sept. 13)

	(tonnes)
Aluminium	+900 to 189,775
Copper	−1,750 to 207,400
Lead	−725 to 34,275
Nickel	−696 to 5,532
Tin	+250 to 33,920
Zinc	−1,150 to 33,800
	(ounces)
Silver	−844,000 to 55,010,000

Zambian copper output falls

BY PATTI WALDMEIR IN LUSAKA

COPPER PRODUCTION in Zambia fell by nearly 5 per cent to 525,811 tonnes in the year to March 31 owing to serious shortages of equipment, spares, diesel, lubricants, explosives and tyres, Mr Francis Kaunda, chairman of Zambia Consolidated Copper Mines (ZCCM) says in his annual report. He adds that production will continue to deteriorate unless foreign exchange constraints on the mines are eased soon.

Mining industry officials are predicting privately that production could drop sharply in the current year to well below 500,000 tonnes (some estimates are as low as 475,000 tonnes) primarily because of continuing inefficiencies, a shortage of inputs and a serious diesel supply crisis earlier in the year.

Mr Kaunda said that mine development had suffered in recent years from spares and equipment shortages "with the consequence that flexibility in mine production is now seriously restricted." Production would decline rapidly "in the not too distant future" unless this adverse trend was reversed. The situation at Nchanga open pit mine, which provides over a quarter of ZCCM production, was particularly worrying, he said. Without an early improvement in equipment availability and stripping rates, "a very significant shortfall" in ore production would result in 1987.

He stressed that the $300m mines rehabilitation programme currently under implementation with funding from the World Bank, the African Development Bank and the EEC would be crucial in ensuring that ZCCM remained viable and generated foreign exchange resources to help finance an urgently needed restructuring of the economy away from dependence on mining, which now provides some 95 per cent of export earnings. Given the known level of reserves, production at the copper belt mines is expected to continue at near current levels only for another 15 years, he said, noting that the Kabwe Mine, ZCCM's oldest operating mine, would maintain production for only a further three years.

ZCCM, in which the Zambian Government has a 60.3 per cent stake through the giant parastatal holding company Zimco, saw a 50 per cent increase in pre-tax profits in the year to March 31, 1985, to K145m (£48m) from K96.9m in 1983-1984 and a pre-tax loss of K123m in 1982-83. After taxes and equity levy, net profit was only K700,000 against K1m in 1983-84 and a net loss of K127m in 1982-83.

The company is carrying a heavy burden of external debt, which was increased over the year by some K313m because of the continuing depreciation of the Kwacha. Total overdrafts, short- and long-term borrowings stood at K1.48bn at March 31, up from K1.02bn the previous year. There is likely to be a substantial further revaluation of external borrowings in the current year, following the expected introduction of a foreign exchange auction which would lead to a sharp fall in the value of the Kwacha.

ZCCM received higher metals prices in 1984-85, but prices remained low in real terms and major efforts are being made to improve productivity and efficiency to ensure reduced operating costs, Kaunda said.

Cobalt production, at 3,654 tonnes for 1984-85, showed a significant improvement over 1983-84 production of 2,748 tonnes.

U.S. urged not to release tungsten stock

BANGKOK — Representatives of tungsten producing nations are to ask the U.S. not to release tungsten from General Services Administration (GSA) stocks in order to stabilise prices.

A statement issued at the end of a two-day meeting of government representatives of tungsten producing and exporting countries here also asked the U.S. to cut tariffs on tungsten material imports.

It also said the delegates, from Australia, Bolivia, Brazil, China, Peru, Portugal, Spain Thailand and Zaire failed to fix indicative prices for wolframite and scheelite.

Delegates will try again to reach agreement on the proposed minimum prices, adjustable to market circumstances, at a November meeting in Geneva.

The representatives expected tungsten prices to rise because statistics indicated world consumption had exceeded production in 1985, and U.S. agreement to their proposals would help stabilise the market, the statement said.

Wolframite prices dropped sharply over the past four years from an average $40 per tonne to a current $74 to $78. The indicative price suggested for wolframite ore at last March's producers meeting was $80 to $85 per tonne.
Reuter

Brazil to resume orange juice sales

BY ANDREW WHITLEY IN RIO DE JANEIRO

CACEX the Brazilian foreign trade authority, was due to resume issuing orange juice export permits yesterday, following the settlement late on Friday of a bitter price dispute between orange growers and the processing industry.

The dispute, over the industry's refusal to accept a government-set price of Cruzeiros 20,000 ($2.60) per box of 40.8 kilos, led to a 10-day blockade of juice plants in Sao Paulo state — the principal producing region — and a temporary suspension of export permits.

Under the terms of a hard-fought agreement mediated by CACEX and Sr Dilson Funaro, the Finance Minister, the Cr 20,000 price will be maintained. But the real value of the payment to growers will be diluted considerably by being spread out in ten instalments to the second half of 1986.

Neither side was particularly happy with the outcome of a dispute which hit one of Brazil's leading export earners at the height of the juice processing season. The industry normally handles over 1m boxes of oranges a day at this time of year.

Speaking after the announcement of the settlement, Sr Mario Branco Peres, president of Abrasucos, the orange juice association, forecast that 1985 would be a difficult year for the industry.

Brazil's orange juice producers have seen their revenue forecasts decline steadily this year in line with the fall in international prices. Export earnings are now not expected to exceed $1bn in 1985, compared with an initial government forecast of $1.4bn.

The dispute demonstrated for the first time the grower's capacity to disrupt production if necessary. And it is likely to give them a new sense of confidence in a sector traditionally controlled by a handful of major privately-owned juice producers.

Both sides said they would appeal to the Sao Paulo state Government against aspects of the arbitration formula. The complicated formula agreed involves the deduction from the basic price of the advance payment already made by the industry to growers and part of local sales taxes.

● Florida's $3bn citrus industry, and owners of small citrus nurseries in particular, could be badly hit by a quarantine order imposed recently to combat the spread of citrus canker disease, according to industry officials.

The state's nurseries have been under indefinite quarantine since September 6.

Sri Lanka tea production up

By Our Commodities Staff

SRI LANKA'S tea output in August totalled 17.1m kilos, compared with 12.3m in July and 14.8m in August 1984, the Tea Board said in Colombo. This took the cumulative 1985 total to 146.1m kilos, up from 143.4m in the January-August period last year.

According to figures just released in London by the International Tea Committee, the rising trend in output from all the major producing countries is showing no sign of abating.

At yesterday's weekly London auction, meanwhile, demand was strong and prices generally firmer, though the quality grade was again unquoted. Medium-grade tea averaged 142p a kilo.

Footing the marketing bill

Farmer's viewpoint: John Cherrington on producers' reluctance to take over the funding of Britain's central food promotion body

FOOD FROM BRITAIN was launched with a splash by Mr Peter Walker, then Minister of Agriculture in April 1983 at a mammoth presentation in London's Barbican Centre. Almost everyone of importance in agricultural politics, food manufacturing and distribution was there—presumably from conviction, although Peter Walker is an adept at pressurising the indifferent into a show of support.

As a start, Food from Britain joined with the Central Council for Horticultural and Agricultural Marketing to co-ordinate the marketing activity of a variety of producer groups and co-operatives selling food both at home and abroad. It also co-operated with food processors and manufacturers. Funding initially came from the Government. £14m spread over five years, after which the organisation would have to be on its own, supported by the different producer and processing interests.

FFB can claim some successes —the "Charter" sign has been accepted as a badge for bacon quality and a food mark, launched last April, is becoming quite widely known. How much in the way of extra sales these have actually generated is hard to judge, however. And it is a fact that FFB has made absolutely no impact with the grass roots farmers who supply basic raw materials and whose interests it is supposed to be looking after.

This did not matter at the start. The organisation had been imposed from the top, and not even in reply to a cry for help in marketing from farmers themselves. There was, it is true, a demand that the British Government should match the aid given by foreign governments for food marketing, particularly for exports to Britain. But it must be said that few farmers would willingly submit to the grading standards and market disciplines which their European competitors have had to adopt.

The reasons for this are historical. Since the repeal of the corn laws Britain has been a food importing country, a terminal market with practically no food exports except for such things as whisky and biscuits, with which the link with domestic farming is tenuous.

For most of the cheap food period, as it was called, those farmers who survived did so by cashing in on market fluctuations and exploiting shortages. They realised that only that by meeting demand where it existed could they flourish. They accepted, because they had to, the dictates of the market place, knowing that the determinant of price was not quality but supply. Most farmers still feel and act in the same way.

It is not that other panaceas have not been tried. Even when I was a schoolboy, politicians were calling on farmers to co-operate and to grade and present their produce better. This was as an alternative to the politicians doing something positive like subsidising exports or detering imports by tariffs. There were statutory marketing boards, the best example of which is the Milk Board, which succeeded because it is a monoploy seller of milk.

I have concentrated on the historical perspective to explain the slowness with which farmers and, I believe, food manufacturers have approached Foor from Britain. Farmers have yet fully to grasp that their very future might depend on their ability to accept the disciplines needed in establishing an export market. But it must also be said that the present UK Government (unlike those of our EEC competitors) is far from realising that to succeed in this governments have to take a positive role in imposing standards and conditions.

To say the National Farmers' Union has been luke-warm towards FFB would until recently have been to overstate its enthusiasm. But circumstances seem to have changed. This Thursday the union's council is to decide whether or not to support a national body to promote British food at home and abroad. That body would be based on FFB with core funding from the Government but with other resources from farmers and the food industry.

Its role would be entirely promotional and marketing-oriented, but with no commercial activity. Farmers would have a larger say in its direction and appoint the chairman. Care should be taken not to duplicate existing promotional work and it is essential that it is also supported by the food industrry.

The NFU's attitude is interesting. The initiative is from Mr Simon Gourlay, the deputy president, who has probably realised that the union is inevitably losing members as farms get larger. But its costs are steadily increasing and the calls for higher subscriptions are not being enthusiastically received from the membership. He realises that with EEC membership the union's past cosy relationship with government has largely vanished and farmers are querying the value to them of the union itself.

So what could be better than an association with a dynamic body under farmer control (for that is what it would look like), with a finger in almost every marketing pie and partly funded by the Government? Would farmers give financial support? On the present prospectus it is doubtful. But there is another way.

As a cereal farmer I contribute by levy to the Home Grown Cereals Authority. My sheep and pigs are levied by the Meat and Livestock Commission to grade and promote my stock. A dairy farmer is levied through his sales to the Milk Board. All this levying is statutorily imposed. There is nothing to prevent the principle to be used for the support of FFB whether the farmers like it or not.

LONDON MARKETS

The overriding influence in London's soft commodity markets yesterday was the sharp fall in the dollar. Robusta coffee futures closed between £68 and £98 a tonne down on the day in lacklustre trading, while cocoa futures dropped between £25 and £33 a tonne despite underlying bullish sentiment over the 1985-86 crop prospects. This was reinforced yesterday by a forecast from Holco, the E.D. and F. Man subsidiary, that the world market would be in deficit during the season to the tune of 13,000 tonnes. Raw sugar futures closed up $1.40 to $3.60 from Friday on the back of the weaker dollar and India's re-entry to the market as a buyer.

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or −	High/low
Cash	685-6	−19	678
3 months	707-.5	−18.5	715/696

Official closing (am): Cash 678-.5 (709.5-10), three months 700-.5 (731.5-2), settlement 678.5 (710).
Final Kerb close: 707-7.5.
Turnover: 35,300 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or −	High/low
Cash	943-4	−34.5	945/945
3 months	958-.5	−34.5	979/964

Official closing (am): Cash 945.5-6 (990-1), three months 971-.5 (1015-.5), settlement 946 (991).
Final Kerb close: 953-54.

Cathodes			
Cash	925-8	−40.5	—
3 months	950-3	−36.5	954

Official closing (am): Cash 927-30 (979-81), three months 953-4 (999-1000), settlement 930 (981).
Turnover: 33,300 tonnes. U.S. Producer prices 63.50-69 cents per pound.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or −	
Cash	248-5	−5.25	285
3 months	292-3	−4.75	294.5/291

Official closing (am): Cash 285-.5 (289-.5), three months 293.5-4 (297-.25), settlement 285.5 (289.5).
Turnover: 13,750 tonnes. U.S. Spot: 18.50-20 cents per pound.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or −	High/low
Cash	3125-30	−97.5	3145/3125
3 months	3195-205	−62.5	3210/3175

Official closing (am): Cash 3140-50 (3275-85), three months 3185-90 (3320-5), settlement 3150 (3285).
Final Kerb close: 3190-200.
Turnover: 1,542 tonnes.

TIN

High grade	Unofficial close(p.m.) £ per tonne	+ or −	High/low for day
Cash	8920-5	−215	—
3 months	8875-80	−254	—

Official closing (am): Cash 8875-80 (9160-2), three months 8830-2 (9114-5), settlement 8880 (9162).

Standard			
Cash	8920-5	−215	8920/8680
3 months	8875-8	−254	9050/8330

Official closing (am): Cash 8875-80 (9158-60), three months 8830-1 (9110-1), settlement 8880 (9160).
Final Kerb close: 8875-80.
Turnover: 2,180 tonnes. Straits tin M$30.58 (30.23) kilo.

ZINC

High grade	Unofficial close(p.m.) £ per tonne	+ or −	High/low
Cash	478 9	−19	—
3 months	485-4	−17.5	488/477

Official closing (am): Cash 475-5.5 (503-4), three months 480-1 (507-.5), settlement 476.5 (504).
Final Kerb close: 744-45.
Turnover: 7,800 tonnes. U.S. Prime Western: 41-41.75 cents per pound.

GOLD

Gold gained $8 to $327¼-327¾ on the London bullion market yesterday. It opened at $325¼-325¾, the lowest level of the day, and rose sharply to a peak of $330½-331, as the dollar fell on the foreign exchanges, following the statement by the Group of Five finance ministers in New York at the weekend. The metal was fixed at $328.10 in the morning and $327.45 in the afternoon.

GOLD BULLION (fine ounce) Sept 23

Close	$327¼-327¾	(£228½-229)
Opening	$325¼-325¾	(£229½-230)
M'ni'g fix	$328.10	(£229.441)
Aft'n'n fix	$327.45	(£228.626)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$330½ 331	(£231½ 231¾)
½ Krug.	$173¼-174	(£121½-121¾)
¼ Krug.	$88¾-89¼	(£62¼-62½)
1/10 Krug.	$36¼-37	(£25½-26)
Mapleleaf	$337 337½	(£256-236¼)
New Sov.	$77-77½	(£54-54¼)
½New Sov	$47-47½	(£33 33¼)
Old Sov.	$83-84½	(£57¾-59)
$20 Eagle	$460-500	(£322½-350¼)
Noble Plat	$320½-324¾	(£224-227)

SILVER

Silver was fixed 13.55p an ounce lower for spot delivery in the London bullion market yesterday at 529.6p. U.S. cent equivalents of the fixing levels were: spot 616.5c, up 18.5c; three-month 628.5c, up 18.75c; six-month 641.1c, up 18.85c; and 12-month 669.35c, up 18.25c. The metal opened at 432½-435½p (613-616c) and closed at 429-432p (615-618c).

SILVER per troy	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	429.60p	−13.5	430.50p	−8.00
3 months	441.10p	−14.0	442.50p	−8.75
6 months	452.30p	−14.6	—	—
12 months	476.55p	−14.7	—	—

LME—Turnover: 29 (17) lots of 10,000 oz. Large three months high 441.5, low 441. Final kerb high 442.5, low 440.5.

RUBBER

PHYSICALS—The London market opened about unchanged, was ruled erraticly throughout the day by currency fluctuations and closed uncertain, reports Lewis and Peat. Closing prices (buyers) spot 58.00p (60.75p), October 58.75p (59.50p), November 56.75p (59.50p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 was 185.0 (same); and for SMR 20 was 161.0 (157.0).

COCOA

In spite of the violent currency movements seen today cocoa futures opened only £15.00 lower and held the levels throughout an active morning session, however prices eased during the afternoon and closing values were at the lows. Producers were unwilling to re-enter the market but scale down consumer buying was noted, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or −	Business Done
Sept.	1746-1750	−27.5	1755-1745
Dec.	1781-1782	−33.0	1803-1780
March	1806-1807	−30.0	1828-1805
May	1820-1822	−28.0	1848-1828
July	1826-1828	−25.5	1841-1828
Sept.	1829-1831	−30.0	1852-1828
Dec.	1822-1824	−32.0	1845-1828

Sales: 3,927 (5,764) lots of 10 tonnes.
ICCO indicator prices (U.S. cents per pound). Daily price for Sept 23: 111.05 (108.19) five-day average for Sept 24: 106.98 (105.69).

COFFEE

A weaker U.S. dollar prompted a sharply lower opening, reports Drexel, Burnham, Lambert. However good support at £1610 basis November encouraged a £15.00 rally but volume was again disappointing in a narrow range. Values drifted off the daily highs towards the close on some lift commission house selling but remained fairly steady as the dollar recovered. Until the final call when losses were extended.

COFFEE	Yesterday's Close	+ or −	Business Done
Sept.	1580-1585	−70.5	1668-1585
Nov.	1595 1597	−78.0	1625-1598
Jan.	1618 1622	−94.5	1665-1618
March	1655-1660	−80.0	1682-1658
May	1690-1695	−74.8	1712-1700
July	1720-1724	−60.5	1750-1725
Sept.	1750-1788	−52.5	1780

Sales: 2,980 (2,845) lots of 5 tonnes.
ICCO indicator prices (U.S. cents per pound) for Sept 20: Comp daily 1979 119.85 (119.38); 15-day average 118.42 (118.44).

GRAINS

All positions reached and maintained contract highs on tight physical supply. September contracts expired quietly with forwards showing further gains late in the day. Trade in barley was dull with 110 March contracts crossed, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or −	Yesterdys close	+ or −
Sept.	—	—	—	—
Nov.	106.75	+0.35	105.15	—
Jan	109.00	+0.25	108.55	+0.05
Mar.	112.00	+0.25	111.65	+0.10
May	115.05	+0.30	114.30	+0.20
July	117.70	+0.30	—	—

Business done—Wheat: Nov 106.75-5.80, Jan 109.00-8.85, March 112.00-1.85, May 115.10-4.90, July 117.70 only. Sales: 354 lots of 100 tonnes. Barley: Nov 105.15 only, Jan 108.55 only, March 111.65 only, May 114.30-4.15. Sales: 173 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark northern spring No 1 15 per cent, Oct 123.50, Nov 124.50, Dec 125.50, transhipment East Coast; U.S. No 2 Soft red winter, Oct 108.85, Nov 104.75, Dec 105.50 sellers East Coast. French faq Sept 118.50, 11½ per cent protein Sept-Oct 118; English Feed fob Oct-Dec 108.00 paid East Coast, Sept 106.00 sellers. Oct 107-107.50 buyer/seller, Nov 108 buyer, Nov-Jan 109.50 seller, Dec 110.00 buyer, Jan-March 113.50-114.00 buyer/seller. Maize: U.S. No 3 Yellow/French transhipment East Coast Oct 1-10 131, Nov-Dec 133. Barley: English Feed fob Sept 102.50-102.75 buyer/seller, Oct 1-20 105.50 buyer, Oct 108.00 buyer, Nov 108.00-108.50, Dec 109.50-110.00 buyer/seller. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed Wheat: E Mids 100.90, N East 100.70, Scotland 100.80; Feed Barley: Eastern 98.40, E Mids 98.90, N East 100.90, Scotland 98.90. The UK monetary coefficient for the week beginning Monday September 30 (based on HGCA calculations using four days exchange rates) is expected to remain unchanged.

MEAT

PIGMEAT—Fresh selling, long liquidation and stoploss selling caused by lower physical prices put values under pressure but short covering and light fresh buying pushed prices back to the highs to close slightly down from yesterdays close, reports CCST Commodities.

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Oct	115.00	116.50	—
Nov	116.10	118.30	118.1-115.3
Feb	102.80	103 20	103.0-102.0
April	103.80	104.00	105.5-103.5
June	101.80	102 10	101.5-100.5
Aug	100.60	100.60	100.5-100.0

Sales: 119 (26) lots of 50 carcases, 3,250 kg.

MEAT COMMISSION—Average fatstock prices at representative markets: GB Cattle 93.86p per kg lw (−0.42). GB Sheep 144.98p per kg est dcw (−4.31); GB Pigs 81.64p per kg lw (−0.99).

POTATOES

Although Scottish weather was appalling over the weekend, in the south it was better than expected with the forecast for the week ahead good. This together with a guilder drop on Dutch markets following the French crop report estimating that this years crop will be 1m tonnes above last year conspired to push London sharply down during early trade. April opened £1.60 down and fell a further 70p before reacting back towards the £80.00 level. Buying interest was thin above this price and by the close momentum was lost. The tone at the close weak, reports Coley and Harper.
NO 16—6/6½

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov	50.90	52.40	52.80-50.50
Feb	63.00	66.50	64.00-64.00
Apr	79.10	81.50	80.10-78.80
May	84.60	87.30	86.50-85.20

Sales: 309 (306) lots of 40 tonnes.

SOYABEAN MEAL

The London market opened £2.00 down on strong sterling, reports T. G. Roddick.

Prices remained under pressure most of the day, however commercial interest lifted market from the lows, closing with losses of £2.00.

	Yesterday close £ per tonne	+ or −	Business Done
October	123.8-125.8	−1.50	125.0-123.8
Dec.	124.0-124.5	−2.20	124.0-123.6
Feb.	126.3-127.2	−2.50	127.0-126.5
Apr.	127.5-127.8	−2.50	127.5-127.5
June	127.8-127.5	−2.05	127.8-128.5
August	128.0-128.9	−2.75	130.0-130.0
October	128.0 131.6	−3.25	—

Sales: 300 (204) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $130.00 (£97.00), up $4.50 (down £3.00) a tonne for Sept/Oct delivery. Whitesugar $182.00, up $7.50.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Oct	137.6-140.0	140.0-141.0	144.0-136.0
Dec	142.2-142.8	144.8-146.4	147.6-142.2
Mar	152.0-152.2	154.8-155.0	158.4-152.0
May	158.2-158.8	158.8-160.4	162.4-156.8
Aug	162.8-162.8	165.0-165.8	—
Oct	168.0-169.0	171.4-171.8	—

The market opened $3.00 higher following the sharp fall of the dollar. Later, however, most of the gains were lost when New York failed to match up, reports C. Czarnikow.

Sales: 1,654 (2,427) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £200.50 (£203.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for Sept 20: Daily price 5.18 (5.06); 15-day average 5.14 (5.10).

INDICES

FINANCIAL TIMES

Sep. 20	Sep. 19	M'th ago	Year ago
252.71	254.47	250.97	289.33

(Base: July 1 1952 = 100)

REUTERS

Sep. 23	Sep. 20	M'th ago	Year ago
1699.5	1722.2	1666.2	1871.9

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Sept. 19	Sept. 18	Month ago	Year ago
Spot	112.11	111.49	—	124.49
Fut.	114.39	114.03	—	124.89

(Base: December 31 1931 = 100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	Sept 23 1985	+ or −	Month ago
Aluminium	£1100		£1100
Free Mkt	$1080/20	+10	$1065/75
Copper			
Cash h Grade	£943.5	−34.5	£985
3 mths	£958.25	−34.5	£1015.25
Gold Troy oz	$327.50	+8	$358
Lead Cash	£284.5	−5.25	£298.25
3 mths	£292.5	−4.75	£300.75
Nickel			
Free Mkt	205/225c	+5	222/242c
Palladium oz	$100.25	+2.50	$105.75
Platinum oz	$311.75	+9.50	$330.25
Quicksilver†	$280/290		$288/300
Silver troy oz	429.60p	−13.55	449.05p
3 months	441.10p	−14	460.85p
Tin cash	£8922.5	−215	£9085.5
3 months	£8875	−234	£9050.5
Tungsten	$70.68		$72.02
Wolfram 22.04lb	$65/70		$65/70
Zinc	£478.5	−19	£513
3 months	£483.5	−17.5	£518.5
Producers	$830	+25	$830
OILS			
Coconut (Phil)	$470.5x	+20	$415
Palm Malayan	$372.5y		$415
SEEDS			
Copra Phil	$300x	+5	$315
Soyabean (U.S.)	$216.75	+1.75	$214.25
GRAINS			
Barley Fut. Nov.	£105.75	+0.35	£102.90
Maize	£131y	+1.5	£133.40
Wheat Fut. Nov.	£105.15		£109.35
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Dec.	£1781.5	−33	£1753.5
Coffee Ft. Nov.	£1596	−78	£1682
Cotton A Index	52.90c		56.60c
Gas Oil Nov.	$247.50	+3.50	$236
Rubber (kilo)	58.00p	−2.75	61.25p
Sugar (raw)	$139z	+4.50	$111.5
Wooltops 64s	428p kilo		425p kilo

‡ Unquoted. z Sept-Oct. y Oct. x Oct-Nov. † Per 76lb flask. c Cents a pound.

U.S. MARKETS

The precious metal markets were sharply higher in reaction to the announcement major central banks would actively intervene in financial markets to drive the dollar down, reports Heinold Commodities. The resulting weakness in the dollar led to aggressive buying in precious metals along with other markets sensitive to currency movements. Copper and aluminium benefitted from arbitrage buying linked to currency movements. Sugar came under pressure on light selling linked to the more favourable progress of the European beet crop. Forecasts of a 13 TMT deficit along arbitrage buying on sterling weakness led to a firming cocoa market. Coffee was generally steady

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	4330	—	—	4250
Oct	4350	—	—	4285
Nov	4390	—	—	4305
Dec	4425	4430	4400	4380
Jan	4460	—	—	4385
March	4535	4535	4515	4470
May	4605	—	—	4540
July	4675	—	—	4610
Sept	4745	—	—	4680
Jan	4885	—	—	4820

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2325	2329	2294	2244
March	2386	2392	2363	2306
May	2415	2422	2385	2337
July	2430	2425	2405	2353
Sept	2430	2430	2410	2350
Dec	2433	2425	2410	2348

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	137.07	139.25	137.00	138.34
March	138.65	140.40	138.60	139.60
May	139.85	141.20	140.00	140.58
July	139.76	—	—	141.30
Sept	141.75	—	—	142.13
Dec	140.50	—	—	141.50

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	58.65	59.10	58.55	57.80
Oct	58.80	—	—	57.95
Nov	59.20	—	—	59.20
Dec	59.80	60.10	59.50	58.75
Jan	59.85	60.20	60.20	59.00
March	60.30	60.75	60.25	59.55
May	60.65	61.15	60.65	60.00
July	61.05	61.50	61.15	60.40
Sept	61.45	61.70	61.70	60.80
Dec	62.05	62.40	62.25	61.40

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	60.00	60.30	59.75	60.13
Dec	59.20	59.53	59.15	59.26
March	60.25	60.62	60.25	60.32
May	60.57	60.90	60.55	60.70
July	59.60	59.70	59.60	59.43
Oct	54.85	—	—	54.39
Dec	53.86	53.70	53.55	53.30

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel

	Close	High	Low	Prev
Nov	28.08	28.39	28.09	27.96
Dec	27.49	27.75	27.49	27.47
Jan	27.08	27.28	27.07	27.01
Feb	26.70	26.84	26.70	26.61
March	26.41	26.50	26.40	26.25
April	26.16	26.25	26.08	25.92
May	25.85	25.86	25.79	25.60
June	25.60	25.60	25.50	25.30
July	25.30	25.40	25.25	25.10
Aug	25.20	25.20	25.17	24.98

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	328.9			319.1
Oct	329.4	331.5	328.2	319.8
Nov	331.5	—	—	321.6
Dec	333.7	336.0	330.3	323.8
Feb	338.0	339.2	336.0	328.1
April	342.2	345.0	339.0	332.3
June	347.0	349.5	345.0	337.1
August	351.8	354.0	352.0	341.9
Oct	356.8	357.5	356.0	346.9
Dec	361.7	365.0	358.3	351.8
Feb	366.9	365.5	365.5	357.0
April	372.2	—	—	362.3
June	377.8	—	—	367.9

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Oct	79.30	79.80	79.30	78.98
Nov	79.71	80.40	79.70	79.50
Dec	79.90	80.75	79.90	79.75
Jan	79.70	80.60	79.70	79.58
Feb	78.50	79.20	78.35	78.25
March	76.00	75.25	75.25	74.75
April	71.80	72.40	71.50	71.75
May	70.30	72.00	72.00	70.05

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	132.95	134.30	132.00	134.15
Jan	129.05	130.25	128.05	130.30
March	127.40	128.50	128.00	129.40
May	126.00	128.50	128.00	128.70
July	125.50	—	—	128.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	315.2	—	—	302.7
Oct	315.7	319.0	308.5	303.2
Jan	319.1	320.0	312.0	305.7
April	323.3	324.5	317.5	310.1
July	328.3	326.5	321.0	315.1
Oct	333.8	333.0	331.0	320.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	617.0	621.0	615.0	599.4
Oct	617.8	—	—	600.3
Nov	621.8	—	—	623.3
Dec	626.5	632.0	622.5	609.0
Jan	630.9	633.0	633.0	613.4
March	639.4	644.0	636.0	622.0
May	648.1	653.0	648.0	630.7
July	657.6	664.0	653.0	640.3
Sept	667.7	670.0	668.0	650.4
Dec	683.0	670.0	683.0	666.7

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	5.22	5.53	5.17	5.30
Jan	5.37	5.75	5.32	5.60
March	5.78	6.07	5.67	5.98
May	5.96	6.24	5.88	6.05
July	6.15	6.42	6.05	6.28
Oct	6.55	6.83	6.45	6.70
Oct	6.55	6.83	6.45	6.70
Jan	6.55	—	—	6.90

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	57.52	57.75	56.62	57.57
Dec	50.70	51.10	50.00	50.72
Feb	59.85	59.90	58.70	59.32
April	60.60	60.95	59.75	60.42
June	61.47	61.97	60.90	61.37
August	60.10	60.40	59.60	60.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	39.82	40.07	39.35	38.72
Dec	42.37	42.60	41.30	41.72
Feb	42.92	43.10	41.85	42.45
April	40.05	40.25	39.45	39.45
June	43.67	43.75	42.55	42.67
July	44.20	44.35	43.25	43.40
August	42.65	43.40	42.35	42.50
Oct	39.30	39.85	39.20	39.70
Dec	40.50	40.85	40.00	40.30

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	High	Low	Prev
Dec	221.4	222.4	219.4	217.6
March	231.4	232.0	228.4	227.4
May	236.6	237.4	235.0	232.6
July	239.0	240.0	237.2	234.6
Sept	232.2	232.4	230.6	228.0
Dec	229.9	230.4	228.0	225.4
March	39.4	240.0	239.4	235.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.25	63.40	60.90	61.77
March	63.20	63.55	61.20	62.10
May	64.55	64.70	62.40	63.15
July	64.27	64.60	62.70	63.40
August	62.16	62.55	60.90	61.25

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
Nov	523.0	523.4	513.2	508.4
Jan	534.6	535.0	524.6	520.2
March	546.4	546.6	537.6	531.2
May	557.2	557.4	547.4	541.2
July	563.6	564.0	553.2	547.2
August	562.4	562.4	553.4	545.0
Sept	551.0	551.0	547.0	536.4
Nov	551.4	552.0	542.0	536.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Nov	523.0	523.4	513.2	508.4
Jan	534.6	535.0	524.6	520.2
March	546.4	546.6	537.0	531.2
May	557.2	557.4	547.4	541.2
July	563.6	564.0	553.2	547.2
Aug	562.4	562.4	553.4	545.0
Sept	551.0	551.0	547.0	536.4
Nov	551.4	552.0	542.0	536.4

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Oct	21.09	21.10	20.60	20.66
Dec	21.19	21.34	20.70	20.82
Jan	21.38	21.48	20.90	20.83
March	21.75	21.80	21.30	21.15
May	22.05	22.08	21.65	21.47
July	22.30	22.30	21.90	21.75
August	22.35	22.35	21.95	21.80
Sept	22.35	22.45	21.95	21.80
Oct	22.15	—	—	21.80

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	291.4	292.4	288.4	286.4
March	296.4	297.6	293.6	291.6
May	291.2	291.4	289.2	287.4
July	277.4	278.0	275.4	272.4
Sept	279.0	280.2	279.0	275.4

SPOT PRICES—Chicago loose lard 18.00 (same) cents per pound. New York tin 585-589 (576-579) cents per pound. Handy and Harman silver bullion 612.50 (600.0) cents per troy ounce.

PARIS—(FFr per tonne). Dec 1490-1495; March 1513-1515; May 1555-1560; Aug 1611-1620; Oct 1645-1650; Dec 1680-1700.

OIL

Most grades firmed again but Gulf grades were quiet due to a holiday in Tokyo. Nymex opened 14 cents up and was trading a further 8 cents higher by 1.30 pm EDT. Within the petroleum product market gas oil prices remained stable. Both naptha and heavy fuel oil were quiet as traders were relaxed awaiting a clear market director, Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—Oct.		
Arab Light	27.48-27.50	—
Arab Heavy	25.40-25.50	—
Dubai	26.35 26.50	+0.15
Brent Blend	27.60-27.70	+0.30
W.T.I. (1pm est)	28.15-28.25	−0.225
Forcados (Nigeria)	28.35-28.50	+0.10
Urals (cif NWE)	27.00-27.10	+0.025
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	268-270	+1
Gas Oil	251-253	+0.25
Heavy fuel oil	135-136	—
Naphtha	249-251	—

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or −	Business Done
	$ U.S. per tonne		
Oct	250 75	+3.25	251.00-50.00
Nov	247.50	+3.50	248.25-48.50
Dec	244.75	+3.50	245.25-45.75
Jan	242.75	+4.00	242.75-41.50
Feb	237.00	+2.00	238.00-37.00
Mar	229.00	+2.25	229.00

Turnover: 2,368 (2,141) lots of 100 tonnes.

FREIGHT FUTURES

With additonal reports of fixtures for Gulf/Continent and Gulf/Japan for heavy grain at promising levels in the market, the futures market opened very steady this morning, over 10 points basis October were added on the opening, with further gains being registered throughout the day. The market closed on or just off the days highs, reports Clarkson Wolff. The Baltic Freight Index was 920.5 up 15 points.

	Close	High/Low	Prev.
Oct.	889/886	888/880	869.5/859
Jan.	929.927.5	931.5/915	914/911
April	984.981	980/975	965/959
July	896.895	886/885	865/863
Oct.	1000/940	—	980/970
Jan.	1030/970	—	980/950
April	1060/1000	—	1020.970
July	990.945	—	1060/1000
			990/955

Turnover: 353 (309).

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention fears hit dollar

The dollar reacted sharply to Sunday's statement made in New York by the finance ministers from the Group of Five major industrial nations. Their comments about concerted intervention to reduce the value of the dollar pushed the U.S. currency down to its lowest level against the D-mark since June last year. It touched a low of DM 2.6925 just before lunch, after the German Bundesbank intervened to sell dollars at the Frankfurt fixing. The fall below DM 2.70 was short lived however, as there appeared to be plenty of underlying support at that level. Later in the day the dollar traded nervously around DM 2.73, as the White House expanded on its intervention policy, by saying it might be ready to intervene in cases other than those when markets were disorderly. President Reagan's speech about trade, and the need to prevent *protectionist* legislation, did nothing to further depress the dollar, but the Federal Reserve's intervention in the domestic money market, adding $2bn to liquidity increased nervousness about lower U.S. interest rates.

The dollar fell to DM 2.7315 from DM 2.8440; FFr 8.3450 from FFr 8.6775; SwFr 2.24 from SwFr 2.3415; and Y231.70 from Y240.05. On Bank of England figures the dollar's index fell to 134.5 from 139.6.

STERLING — Trading range against the dollar in 1985 is 1.4290 to 1.0525. August average 1.3838. Exchange rate index rose to 83.1 from 82.0, and touched a peak of 83.9 at 9 am. It also opened at 83.1, the lowest level of the day.

Sterling gained 5.70 cents against the dollar to close at $1.4265-1.4275, the highest level since July 29, and the second highest closing point this year. It touched a peak of $1.4470, but overall kept generally in line with other major European currencies. The pound rose to DM 3.8975 from DM 3.8950; FFr 11.9075 from FFr 11.8875; and Y330.50 from Y328.75, but fell to SwFr 3.1950 from SwFr 3.2075.

D-MARK — Trading range against the dollar in 1985 is 3.4519 to 2.7315. August average 2.7936. Exchange rate index 127.4 against 120.0 six months ago. The D-mark rose sharply against the dollar, to the highest level since June last year. The Bundesbank intervened at the Frankfurt fixing, for the first time since February 20, as an indication that the German central bank is seriously pursuing the intent of the statement issued by finance ministers in New York at the weekend. The fixing of DM 2.7248, compared with DM 2.8862 on Friday, was the lowest since June 14, 1984. Although the dollar met with some support at around DM 2.71, further selling developed after the fixing as the Bundesbank showed its willingness to intervene, but there was no sign of dollar sales by the central bank on the open market. Chart points were breached at DM 2.7580 and DM 2.7320, with dealers nervous because there was no further technical data to gauge where resistance was likely to occur. At the Frankfurt close the dollar had fallen to DM 2.7185 from DM 2.8605.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu September 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.8320	45.2038	+0.83	+1.07	±1.5162
Danish Krone ...	8.12857	8.08737	−0.51	−0.27	±1.6673
German D-mark	2.23840	2.22526	−0.59	−0.35	±1.0421
French Franc ...	6.86402	6.79207	−1.05	−0.81	±1.1455
Dutch Guilder...	2.52208	2.50429	−0.71	−0.47	±1.3654
Irish Punt	0.724578	0.717179	−1.02	−0.78	±1.5425
Italian lira	1520.60	1504.26	−1.07	−1.07	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	Sept 23	Previous
8.30 am	83.1	81.7
9.00 am	83.9	81.6
10.00 am	83.3	81.6
11.00 am	83.3	81.5
Noon	83.1	81.7
1.00 pm	83.2	81.7
2.00 pm	83.2	81.9
3.00 pm	83.2	81.8
4.00 pm	83.1	82.0

£ IN NEW YORK

	Sept. 23	Prev. close
£ Spot	$1.4545-4560	$1.3750-1.3785
1 month	0.39-0.36 pm	0.37-0.35 pm
3 months	1.04-1.00 pm	1.08-0.99 pm
12 months	2.65-2.55 pm	2.65-2.55 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

Sept 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4015-1.4470	1.4265-1.4275	0.40-0.37c pm	3.24	1.05-1.01 pm	2.89
Canada	1.9485-1.9765	1.9486-1.9542	0.43-0.33c pm	2.32	0.99-0.84 pm	0.46
Nethlnd.	4.36-4.42¾	4.37-4.38	2⅛-1⅞c pm	5.49	5⅞-5½ pm	5.20
Belgium	78.62-79.67	77.70-77.80	19-13c pm	2.47	48-37 pm	2.19
Denmark	14.06¼-14.27½	14.13½-14.14½	2½-1¼ore pm	1.70	7½-6½ pm	1.98
Ireland	1.2516-1.2628	1.2547-1.2557	0.25-0.10p pm	1.67	0.65-0.32 pm	1.55

Belgian rate is for convertible francs. Financial franc 78.30-78.40. Six-month forward dollar 1.73-1.68c pm. 12-month 2.75-2.60c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Sept 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4015-1.4470	1.4265-1.4275	0.40-0.37c pm	3.24	1.05-1.01 pm	2.89
Ireland†	1.1235-1.1510	1.1340-1.1380	0.20-0.10c pm	1.58	0.55-0.30 pm	1.49
Canada	1.3620-1.3685	1.3652-1.3662	0.07-0.10c dis	−0.75	0.29-0.34dis	−0.92
Nethlnd.	3.0350-3.1210	3.0660-3.0670	0.59-0.55c pm	2.22	1.84-1.80 pm	2.37
Belgium	54.85-55.90	55.15-55.25	2-3c dis	−0.54	11-13 dis	−0.87
Denmark	9.84½-9.91¼	9.90¾-9.91¼	½-1ore dis	−0.92	1-1½ dis	0.51

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.55-55.65.

OTHER CURRENCIES

CURRENCY MOVEMENTS

CURRENCY RATES

EXCHANGE CROSS RATES

Sept. 23	Pound St'ling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.427	3.898	330.5	11.91	3.198	4.376	2621.	1.951	77.75
U.S. Dollar	0.701	1.	2.732	231.7	8.345	2.240	3.067	1837.	1.367	55.30
Deutschemark	0.257	0.366	1.	84.80	3.055	0.820	1.123	672.4	0.501	19.95
Japanese Yen 1,000	3.025	4.318	11.79	1000.	36.03	9.667	13.24	7930.	5.904	235.2
French Franc 10	0.840	1.198	3.273	277.6	10.	2.683	3.674	2201.	1.639	65.29
Swiss Franc	0.313	0.447	1.220	103.4	3.727	1.	1.369	820.3	0.611	24.33
Dutch Guilder	0.229	0.326	0.891	75.54	2.722	0.730	1.	599.0	0.446	17.77
Italian Lira 1,000	0.382	0.545	1.487	126.1	4.544	1.219	1.669	1000.	0.745	29.67
Canadian Dollar	0.512	0.731	1.997	169.4	6.102	1.637	2.242	1343.	1.	39.84
Belgian Franc 100	1.286	1.835	5.013	425.1	15.32	4.109	5.627	3371.	2.510	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	11¾-12	7¼-7⅞	8-8¼	5½-5⅝	1-1¼	4 5/16-4 7/16	9⅜-9⅛	11-13	8⅞-9⅛	8¾-9	6 5/16-6 9/16	9-9⅛
7 days' notice	11⅝-11⅞	7⅞-8	8⅛-8⅜	5 5/16-5 11/16	10⅝-10⅞	4 5/16-4 7/16	9⅜-9⅝	11-12½	8⅞-9⅛	8¾-9	6⅞-7	9-9½
Month	11 7/16-11 9/16	7 13/16-8 1/16	8 1/16-8 11/16	5⅝-5¾	4 5/16-4 9/16	4⅜-4½	9½-9⅝	12¼-13¼	8⅞-9⅛	8¾-9	6⅛-6⅜	9-9½
Three months	11 5/16-11 7/16	8 1/16-8 3/16	8 11/16-8 13/16	5⅝-5¾	4½-4⅝	4⅜-4½	10-10⅛	12¾-13¼	9⅛-9⅜	9-9¼	6⅜-6 7/16	8⅞-9⅝
Six months	10 15/16-11 1/16	8¼-8⅜	9⅛-9⅜	5 11/16-6 1/16	4⅝-4¾	4 5/16-4 7/16	10 11/16-10 13/16	12⅞-13⅜	9½-9¾	9⅜-9⅝	5 11/16-6⅛	8⅞-9⅜
One year	10⅞-11	8 9/16-8 11/16	9 5/16-9 9/16	5¾-5⅞	4⅜-4¾	4⅜-4⅝	11⅛-11⅜	13½-14	9⅝-9⅞	9⅛-9⅜	6 5/16-6⅝	9⅛-9⅝

Asian $ (closing rates in Singapore): Short-term 7⅞-8 per cent; seven days 8-8⅛ per cent; one month 8-8⅛ per cent; three months 8⅛-8¼ per cent; six months 8 5/16-8 7/16 per cent; one year 8⅜-8½ per cent. Long-term Eurodollars: two years 9¼-9½ per cent; three years 10-10¼ per cent; four years 10¼-10½ per cent; five years 10½-10¾ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates ease but Bank cautious

The Bank of England ensured that market euphoria would not lead to an immediate cut in base rates in the London money market yesterday. Despite a sharp fall in domestic rates, following a fall in the dollar's value, the authorities acted to curb market enthusiasm. Its dealing rates remained the same although the bulk of the day's shortage was tailored to accommodate discount houses' reluctance to part outright with high yielding paper.

Three-month eligible bank bills were bid at 10⅞-10 13/16 per cent compared with 11 1/16 per cent while three-month interbank money eased to 11¼-11⅜ per cent from 11 7/16-11 9/16 per cent. Overnight interbank money opened at 11½-11¾ per cent and touched 11 per cent before reaching a high of 13½ per cent.

The Bank of England forecast a shortage of around £1,300m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £1,122m and Exchequer transactions a further £525m. These were partly offset by a fall in the note circulation of £315m and banks' balances brought forward £10m above target.

The Bank gave assistance in the morning of £28m, having revised the forecast to a shortage of around £1,350m. The morning help comprised purchases of eligible bank bills in band 1 (up to 14 days) at 11⅜ per cent. The forecast was again revised, this time to a shortage of around £1,400m, before taking into account the early help and the authorities gave additional help in the afternoon of £1,107m. This comprised purchases of £10m of local authority bills and £100m of eligible bank bills in band 1 at 11⅜ per cent and £221m of eligible bank bills in band 2 (15-33 days) at 11 5/16 per cent. In band 4 (64-91 days) it bought £1m of eligible banks bills at 11 3/16 per cent. It also arranged sale and repurchase agreements on £775m of bills at 11 7/16-11½ per cent, unwinding on October 7. Late assistance came to £190m, making a total of £1,325m.

UK clearing banks base lending rate 11½ per cent since July 30.

MONEY RATES

Sept. 23	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	4.5-4.6	9⅝	5⅛-7⅛	5 9/16-5⅝	6.21875	14⅛-14⅛	8.75	9¾-10
One Month	4.55-4.65	9⅜-9⅛	4⅜-4⅛	5 11/16-5 13/16	6.53125	13⅝-14	8¾-9	9⅝-9⅞
Two Months	4.6-4.7	9 1/16-9 3/16	—	—	—	—	—	9¾-10
Three Months	4.6-4.7	9 1/16-9 3/16	4 7/16-4 9/16	5 13/16-5 15/16	6.40625	13⅞-14¼	9¼-9¼	9⅞-10⅛
Six Months	4.55-4.60	9⅛-9⅝	—	5¾-5⅞	—	—	9⅜-9⅝	—
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	9⅝	—	—	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Sept. 23 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	11-13½	12	12¼-12⅛	11¾-12	—	—	—	—	—
2 days notice	—	—	11⅝-11¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11⅝-11⅞	11⅝	12-12¼	11⅛-11⅝	—	—	—	—	—
One month	11½-11⅝	11⅝-11⅝	11½	11⅝	11¼	11 3/16	11 3/16	11 5/16	11 5/16	11⅝
Two months	11⅜-11¼	11¼-11½	11¼	11½	11	11 1/16	11 1/16	11 1/32-11⅛	11-11 1/32	11⅝
Three months	11¼-11 1/16	11⅛-11⅜	11⅛	11⅜	10¾	10 15/16	10 15/16	10⅞-10 15/16	10 15/16	11½
Six months	10 13/16-10¾	10⅞-11⅛	10⅞	—	—	—	—	10⅝-10 11/16	10-10 3/16	11
Nine months	10¾-10⅝	10¾-11	10¾	—	—	—	—	—	—	—
One year	10¾-10⅝	10¾-11	10¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11⅞-11⅝	—	11½	7.8-7.9	7 11/16-7 13/16	7 15/16-8 1/16
Two months	11¾-11¼	—	11⅝	7.9-8.0	7⅝-7⅞	8 1/16-8 3/16
Three months	11⅝-11⅜	—	11¼	7.9-8.0	7⅝-7⅞	8 3/16-8⅝
Six months	11 3/16-11 1/16	—	11	8.0-8.1	7¾-8	8⅛-8⅝
Nine months	11⅛-11⅛	—	11	8.25-8.35	—	—
One year	11 1/16-11 1/16	—	11	8.3-8.4	8-8¼	8¾-8⅞
Two years	—	10⅞	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	10⅞	—	—	—	—

ECGD Fixed Finance IV: Average rate of interest period August 7 to September 3 (inclusive): 11.574 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12 per cent from September 1 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Treasury Bills: Average tender rate of discount 11.0934 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nine months 11½ per cent; nine-12 months 11½ per cent. Under £100,000 10¾ per cent from September 12. Deposits held under Series 5 11½ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept. 23)

3 months U.S. dollars	
bid 8	offer 8 1/8

6 months U.S. dollars	
bid 8 3/16	offer 8 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	8¾-9
Fed funds	7 25/32
Fed funds at intervention	7⅞

Treasury Bills

One month	6.89
Two month	6.92
Three month	7.72
Six month	7.54
One year	7.93

Treasury Bonds

Two year	8.88
Three year	9.24
Four year	9.52
Five year	9.75
Seven year	10.13
10 year	10.28
30 year	10.55

FINANCIAL FUTURES

Erratic trading

Prices mover quite sharply in the London International Financial Futures Exchange yesterday after the five nation declaration to depress the dolar through currency intervention. Trading patterns were punctuated by differing interpretations as to how the dollar would react after the short term gyrations. If anything the future may now be more clouded than before, some dealers suggested.

Sterling based instruments rose sharply at first, boosted by a double imetus of sterling's strength and renewed hopes of an imminent cut in base rates. The Bank of England was quick to ensure that the market did not act with possibly indecent haste, keeping its money market intevention rates unchanged. Consquently some of the initial euphoria evaporated later in the day and prices finished some way below their best levels.

Euro-dollars were influenced by technical constraints with dealers in London a little wary ahead of the opening of Chicago as a sizeable differential develol ped between London and Chicago. However more buying tended to allay fears of a sell off after the start of Chicago and while prices did slip back during the afternoon, the softer trend was as much a reflection of U.S. officials reiterating previous intervention policies as any concerted profit taking.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	91.67	91.75	91.64	91.50
March	91.32	91.42	91.32	91.13
June	90.96	91.08	90.97	90.77
Sept	90.62	90.76	90.67	90.43
Dec	90.32	—	—	90.13
March	90.02	—	—	89.83
June	89.74	—	—	89.55

Est. volume 9,049 (5,783)
Previous day's open int. 17,958 (17,780)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
Sept	129.30	129.35	128.85	129.80
Dec	130.00	130.20	129.75	130.55

Est. volume 565 (216)
Previous day's open int. 1,758 (1,770)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	75-11	76-05	75-09	75-14
March	74-11	—	—	74-14

Est. volume 5,725 (4,346)

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LIFFE OPTIONS REPORT

Sterling Currency—£25,000 c per £
Good volume on the back of a very weak dollar.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
1719	1526	5448	6224

Eurodollar Future—points of 100%
Rates fell following group of five agreement to lower dollar.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
155	95	1194	1164

For full details of settlement prices call:
Louise Powell of LIFFE on 01-623 0444
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FLOATING RATE NOTES DUE 1988

For the three month interest period from 23rd September, 1985 to 23rd December, 1985 the Notes will carry an interest rate of 10% p.a. and the Coupon Amount per U.S.$10,000 will be U.S.$252.78.

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£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on September 23, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotataion available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dolar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.90
Algeria	Dinar	(A)7.30
Andorra	French Franc	11.9075
	Spanish Peseta	234.44
Angola	Kwanza	39.9345
Antigua	E. Caribbean $	3.89
Argentina	Austral	1.1495
Australia	Australian $	2.0869
Austria	Schilling	27.27
Azores	Portuguese Escudo	238.25
Bahamas	Ba. Dollar	1.4270
Greenland	Danish Kroner	14.14
Grenada	E. Caribbean $	3.89
Guadaloupe	Local Franc	11.9075
Guam	U.S. $	1.4270
Guatemala	Quetzal	1.4270
Guinea	Syli	34.95
Guinea-Bissau	Peso	212.07
Guyana	Guyanese $	5.8915
Haiti	Gourde	7.20
Honduras	Lempira	2.89
Hong Kong	H.K. $	11.0900
Peru	Sol	exc(A)20,21.2
Philippines	Philippine Peso	26.50
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.6260
Poland	Zloty	208.23
Portugal	Portuguese Escudo	238.25
Puerto Rico	U.S. $	1.4270
Qatar	Qatari Ryal	5.2230

‡ Rate is the transfer market (controlled). ‡‡ Now one official rate. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad. (9) Banknote rates. (10) Rate for exports. (14) Nearly all business transactions.
† Corrections (September 9): Australia 1.9513, Israel 1,984.0 and Uganda 782.0.

HEALTHY

That's BTR

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	1985 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
101 11/16	99 5/16	Exch. 12¼pc 1985	99 13/16	......	12.26	11.76
101 3/16	99 5/16	Exch. 11½pc '86	100 5/16	+ 1/16	11.71	10.74
99¾	97 1/16	Treas. 10pcCnv 1986	99¾xd	+¼	10.03	10.56
96¼	92¼	Treas 3pc 1986	96⅛	+ 1/16	3.11	8.87
100	97½	Exch. 10½pc Cv '86	99¾xd	+ 3/32	10.53	10.91
101⅞	99¼	Treas 12pc 1986	100¾	+ 3/32	11.91	10.81
98 7/16	94¼	Treas 8½pc 1984-86‡‡	98 7/16	+⅛	8.63	10.55
105 3/16	102 5/16	Exch. 14pc 1986	103⅛xd	+⅛	013.55	10.73
94½	87¾	Exch. 2½pc 1986	94½	+¼	2.64	7.51
104 9/16	101¼	Exch. 13¼pc 1987	103⅛	+ 1/16	12.85	10.56
99 11/16	96⅝	Treas 10¼pcCv '87	99⅝	+¼	10.29	10.48
93	85½	Exch 2½pc 1987	93	+¼	2.68	7.79
100 3/16	96¼	Exch. 10½pc 1987	100 3/16 xd	+⅛	10.48	10.38
94⅛	89	Funding 6½pc '85-87‡‡	94½xd	+⅛	6.89	10.38
99 7/16	95½	Treas. 10pc 1987	99 7/16	+⅛	10.10	10.52
91 7/16	84¼	Treas 3pc 1987	91 7/16	+¼	3.28	8.20
102 11/16	99½	Treas. 12pc 1987	102½	+⅛	11.71	10.60
95	90¼	Treas 7¾pc 1985-88‡‡	94¾	+⅛	8.18	10.29
100	95⅝	Exch 10½pc '88	100	+ 3/16	10.53	10.53
98 5/16	93⅝	Treas 9¾pc Cv '88	98 5/16	+ 3/16	9.94	10.53
86½	80	Transport 3pc '78-88	86 11/16	+ 1/16	3.46	8.60
97¼	91½	Treas. 9½pc '88	97¼xd	+½	9.79	10.60
102¾	97½	Treas 11½pc 1989	102⅝	+ 3/16	11.24	10.61
96 13/16	90¼	Treas 9½pc Cnv. '89	96 13/16 xd	+ 3/16	9.83	10.67
82 13/16	79	Treas 3pc 1989	82 13/16	+¼	3.60	8.55
99 15/16	94	Treas 10½pc 1989	99 11/16	+½	10.55	10.58
98¼	92	Exch. 10pc 1989	98 5/16	+ 3/16	10.23	10.61
101 5/16	95	Exch 11pc 1989	101 3/16 xd	+ 3/16	10.87	10.54
86¼	79	Treas 5pc 1986-89	86¼xd	+⅛	5.80	9.18
108⅝	103⅝	Treas 13pc 1990‡‡	108 5/16	+⅛	12.00	10.43
101⅞	96 11/16	Exch 11pc 1990‡‡	101 5/16	+⅛	10.86	10.50
108¼	100¾	Exch. 12½pc 1990	107⅝	+ 3/16	11.71	10.50
78 5/16	75¼	Treas. 3pc 1990	78 5/16	+⅛	3.82	8.81
93	87¼	Treas 8¼pc 1987-90‡‡	92½	+¼	8.91	10.20
		Five to Fifteen Years				
101⅛	91⅞	Treas. 10pcCv 1990	96⅞xd	+⅛	10.23	10.60
106⅞	97⅞	Treas 11¾pc 1991	106⅞	+¼	11.25	10.60
87⅞	80	Funding 5¾pc '87-91‡‡	85⅞xd	+½	6.68	9.01
105⅝	95	Exch. 11pc 1991	100⅞xd	+¼	10.80	10.60
111¼	101⅝	Treas 12¾pc 1992‡‡	111¼	+¼	11.64	10.62
99½	88⅝	Treas 10pc 1992	98¼	+⅛	10.22	10.65
103¾	94½	Treas 10½pc Cv 1992‡‡	103¾	+¼	10.53	10.55
110¼	98⅞	Exch. 12¾pc '92	108⅛	+¼	11.41	10.71
117¼	105	Exch 13½pc 1992	113¼xd	+⅞	11.93	10.75
112	101¼	Treas 12½pc 1993‡‡	112	+⅞	11.41	10.65
83⅝	74⅞	Funding 6pc 1993‡‡	81⅞	+⅝	7.34	9.29
120⅝	109⅝	Treas 13¾pc 1993‡‡	120⅝	+⅞	11.86	10.74
125¼	111¼	Treas 14½pc 1994‡‡	122	+⅞	11.97	10.65
119⅝	108⅜	Exch 13½pc 1994	114xd	+⅞	11.72	10.75
113⅞	100⅝	Exch. 12½pc 1994	111¾	+1	11.34	10.68

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

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ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

1985 High	1985 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
69	53	Stakis 10p	62	......	‡‡1.0	2.8	2.3	18.4
161	119	Trusthouse Forte	135	–4	‡4.74	1.7	5.0	14.4

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
48	28	♦Malinmat Hldgs 10p	38	.....	—	—	—	♦
390	202	Man. Ship Can. £1	385	.....	5.5	3.5	2.0	20.2
104	70	Marley	86	+1	3.75	2.2	6.2	10.4
107	52	Marling Ind. 10p	97	.....	d1.5	5.1	2.2	12.4
80	56	Marshall L'ny. 'A'	80	.....	2.4	4.9	4.3	5.7
77	57	Marshall's Universal	60	.....	2.0	1.4	4.8	(19.0)
86	78	Do. 7½pcCnRedPf £1	82	.....	7½%	—	13.1	—
For Martin-Black see Dean Park Hotels in Recent Equities								
£99	£81	♦Matheson 7¼%	£99	.....	Q7¼%	2.3	17.9	—
35	19	♦Maxiprint 1p	19	−2	—	—	—	—
510	375	Metal Box £1	485	−10	17.25	3.1	5.1	7.3
170	110	Metal Closures	114xd	.....	6.7	2.0	8.4	7.1
17	5	♦Metal Sciences 2½p	6	.....	—	—	—	—
104	73	♦Midland Marts	80	.....	—	—	—	—
83½	55½	♦Mitchell Cotts	59½	+½	4.0	2.1	7.1	9.6
230	162	Morgan Crucible	190	−3	t4.0	1.5	9.6	8.5
32½	22	♦Morris (W) F.A. 20p	32	.....	†8.0	1.6	6.1	12.9
116	91	Moss (Robt.) 10p	115	.....	†0.5	♦	2.2	♦
81	64	Mysson Grp 10p	64	.....	3.0	2.5	3.7	12.7
328	214	♦NMW Computers	255	.....	q2.5	3.4	5.6	11.9
43	28	Nash Inds.	33	.....	h4.8	2.7	2.7	19.6
48	16	Neil & Spencer 10p	18	.....	‡2.5	1.5	‡	7.6
44	14½	♦Newman Inds 10p	34	.....	♦	—	—	5.4
42	26	Nolton	42	.....	—	—	—	(16.1)
189	146	Norcros	183	.....	t1.17	4.5	4.0	8.1
67	48	Nu-Swift 5p	48	.....	8.6	2.2	6.7	9.1
111	68	Oakwood Grp.	105	.....	3.0	1.6	8.9	9.2
290	150	Office & Elect	242	−1	†t4.5	1.4	6.1	(15.0)
108	75	Oldacre 20p	75	.....	7.5	2.4	4.4	13.3
58	37	♦Optometrics $0.01	46	−3	4.0	2.6	7.6	6.7
495	312½	Oriflame £1	485	.....	ed02c	—	3.4	—
18	10	Overstone 12½c	10	.....	†23.4	1.8	4.9	11.3
£192	£158	Ozalid 9pc Cnv 87-92	£190	.....	903.23c	1.9	9.6	5.5
185	105	♦PCT Grp 10p	125	−10	Q9%	—	—	—
£14	858	PLM 'B' Sk 25	950	.....	3.2	2.2	5.3	15.1
199	142	PSM Intl.	158	.....	Q21.6%	5.0	4.9	41.1
170	135	♦Pacer Systems $0.01	197	−3	9$5.25	2.5	4.7	10.8
68	50	♦Pacific Sales 10p	60xd	.....	hg5.04c	—	2.2	—
220	165	Parker Knoll 'A'	220	+31	3.0	♦	7.1	♦
157	45	♦Parkfield Group 5p	151	.....	9.5	♦	6.4	♦
80	37	♦Pawson Intl	69	−2	2.4	♦	2.3	♦
£190	£101	Do 11pc CvLn '94-02	£163	−2	—	—	—	—
378	287½	Pearson	310xd	−5	Q11%	—	16.8	—
29	18	Peek Holdings	25	.....	†t8.5	3.0	3.9	11.0
94	71	Peerless	82xd	.....	—	—	—	—
362	98	Pentland 10p	300	+5	6.3	—	11.0	—
53	33	Pentos 10p	52xd	.....	t0.87	20.4	0.4	13.5
61	44	Phillips Patents	55	.....	†0.35	7.7	1.0	14.1
£14¼	£10¼	Photo-Me 50p	£13¾	.....	†1.25	♦	3.2	♦
323	262	Pilkington Br. £1	278	−2	9.45	6.6	1.0	19.1
£315	£225	Pitney-Bowes Cnv. Ln.	£290	.....	12.5	2.5	6.4	6.9
68	48	Plastic Const. 10p	55	.....	05½%	—	2.4	—

LEISURE—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
202	170	Chrysalis	200	.....	5.6	2.6	4.0	13.0
52	7	♦Entertain Prod 5p	15xd	.....	bd2.25	2.1	21.4	2.6
78	50	Fairline Boats 10p	74	.....	†2.63	2.6	5.1	10.5
348	228	First Leisure £1	348xd	.....	†6.5	2.8	2.7	16.2
69	51	GRA Group 5p	61	.....	—	—	—	81.4
32	25	Grampian TVA 10p	28	.....	h1.67	♦	8.5	♦
155	117	HTV Non/Vtg.	150	.....	h7.0	2.9	6.7	6.8
148	95	Horizon	100	.....	♦4.4	3.6	6.3	4.5
184	90	Insight	144xd	.....	†2.5	6.5	2.5	8.9
For Intasun see International Leisure								
140	102	Intnl Leisure 10p	130	+2	4.8	3.1	5.3	7.1
232	165	Juliana's Hldgs 2p	165	.....	2.0	1.8	1.5	27.2
300	217	LWT	290	.....	14.4	2.3	7.1	8.8
30	25	♦Leisure Inv 10p	28	−1	—	—	—	4.9
65	53	Leisuretime Int 10p	55	−2	†2.1	3.9	5.5	5.9
For Magnet Ag M see Chrysalis								
183	158	♦Media Tech Int 20p	180xd	.....	g2.58	♦	2.0	♦
205	124	Medminster 10p	198	+3	†4.85	2.6	3.5	13.3
280	175	♦Miss World 10p	220	.....	3.6	4.1	2.4	14.3
127½	70	Nationwide Leisure	80xd	.....	t3.75	2.5	6.7	7.1
39	15	♦Nimslo Int 20c	20	.....	—	—	—	—
25	19½	♦Owners Abroad	25	.....	1.0	2.2	5.7	11.2
53	38	Photax (Lon.)	45	.....	—	—	—	—
24½	20	♦P'dilly Radio NV 5p	21½	.....	1.87	1.1	12.5	10.6
90	30	♦Pineapple Dnc St 10p	40	.....	d1.5	1.2	5.4	21.5
300	183	Pleasurama 5p	297	−3	†t4.6	3.7	2.2	17.6
150	109	Do. 7pcCvCnRedPf	148	−2	7%	—	6.8	—
96	77½	♦Pres Entertain 50p	92	.....	N2.0	2.1	3.1	21.7
65	27	♦Radio City 'A' NV	27	.....	‡5.6	0.9	‡	5.4
55	42	♦Radio Clyde N/V	45	.....	3.25	2.0	10.3	6.6
63	34	Riley Leisure 10p	43	−1	0.7	—	2.3	—
193	149	Saga Hols. 20p	185	+2	†4.0	2.1	3.1	19.8
300	108	Samuelson Grp 20p	255	.....	1.8	♦	1.0	♦
42	25	♦Sangers Photo 10p	30	.....	2.0	1.9	9.5	7.8
202	158	♦Scanro 50p	270	.....	g3.68	2.6	3.1	16.5
156	128	Scott. TV 'A' 10p	148	.....	8.8	2.8	8.5	6.1
508	304	SeeCo Inc $0.125	304	−28	—	—	—	—
15	7	♦SelecTV 10p	10	.....	—	—	—	—
140	10	♦Spectrum 5p	13	.....	‡g2.0	4.8	‡	1.4
32	23	TSW 5p	29	.....	1.5	2.6	7.4	7.3
150	108	TVS N/Vtg 10p	150	.....	6.0	2.2	4.8	11.3
235	132	♦Television Svcs 50p	190xd	−3	d1.5	4.3	1.1	29.8
79	65	Tottenham Hotspur	67xd	.....	4.0	♦	8.5	♦
160	69½	♦21st Century Dist	69½	−13½	—	—	—	—
165	99	♦Tyne Tees TV 'A' £1	117	.....	‡10.5	2.3	‡	4.9
110	84	Ulster TV N/V 'A'	108	.....	4.75	3.0	6.3	7.6
125	67	♦Viewplan 5p	75	−3	o1.26	♦	2.4	♦
26	17	Webb (Jos.) 5p	18	.....	d0.5	0.6	4.1	58.3
26½	12	♦Williams (Rex) 5p	21½	.....	d0.91	—	6.0	—
113	93	Zetters 5p	109	.....	4.0	♦	5.4	♦

MOTORS, AIRCRAFT TRADES

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O.F.S.

Diamond and Platinum

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Finance

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	99	.....
Craig & Rose £1	700	.....
Finlay Pkg. 5p	66	+1
Higsons Brew	295	.....
Holt (Jos) 25p	730	.....
IoM Stm. £1	90	.....
IRISH		
Fund 11¼% 1988	£101¼	.....
Nat. 9¾% 84/89	£97¾	.....
Fin. 13% 97/02	£107¾	+¼
Arnott	285	.....
CPI Hldgs	68	−2
Carrol Inds	138	−2
Dublin Gas	73	.....
Hall (R. & H.)	62xd	.....
Helton Hldgs.	21	−2
Irish Ropes	46	.....
Jacob (W.& R.)	80	.....
Unidare	109	.....

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Gilts gain ground following sharp rise in sterling

FT index closes 6.9 down at 995.3

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sept 2	Sept 12	Sept 13	Sept 23
Sept 16	Sept 26	Sept 27	Oct 7
Sept 30	Oct 10	Oct 11	Oct 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

The two main investment areas of London stock markets were pulled in opposite directions yesterday by the soaring sterling exchange rate. Its continued rise against the dollar prompted sharp gains in Government stocks, but at the same time depressed major exporting groups in equity sectors.

As the pound jumped 7 cents against the dollar to $1.44 in early response to the communique from the Group of Five's week-end meeting in New York, gilt-edged dealers marked longer-dated stocks up by a point or so. Buyers, who were active after-hours on Friday and exhausted supplies of the long tap, reappeared as hopes increased that the pound's performance could enable the authorities to engineer an early reduction in interest rates, perhaps to coincide with the Tory party conference early next month.

Initial gains were soon stretched to 1¼ in places before support was withdrawn amid word of fresh Government funding at 3.30 pm. This duty arrived via fresh tranches of £250m of 10½ per cent Exchequer 1997 and £250m of 9½ per cent Conversion 2004, but made little impact on sentiment when dealings were resumed in the funds after the usual recess. The longs eventually ended with gains of just over a point, while improvements among short-dated maturities ranged to ⅝.

The FT Government securities index rose 0.63 to a 1985 peak of 84.02 and its highest level since November 15, 1982.

Conversely, international equities like Glaxo and ICI suffered a sharp mark-down, reflecting concern about their dollar-earning potential in the wake of weekend events in New York. Sentiment here was also affected by the latest CBI survey of manufacturers which indicated that export orders were well below normal for the time of year. Very little selling developed, however, and prices perked up as buyers took the opportunity to acquire some cheap stock.

Illustrating the trend, the FT Ordinary share index dropped below the 1,000 mark and stood 10.2 down at 10 am before recovering to close 6.9 lower on the session at 995.3.

Interest elsewhere in equities centred upon those companies reporting trading statements or bid situations, either actual or rumoured. Meanwhile, the usual sectors to respond to revived interest rate optimism—Stores, Properties and Discount Houses—displayed widespread improvements.

Clearers dull

International debt uncertainties resurfaced to depress the major clearing banks. Lloyds led the retreat with a fall of 19 at 388p, while NatWest gave up 8 at 620p. Barclays relinquished 5 to 367p, as did Midland, to 387p. Discount Houses, however, moved up on cheaper money hopes and in sympathy with gilts. Cater Allen rose 10 to 500p and Union firmed 8 to 653p. Gerrard and National improved 5 to 315p and Clive 3 to 40p.

The dollar's decline prompted weakness in Lloyds Brokers. C. E. Heath fell 12 to 625p, as did Sedgwick, to 345p. Minet gave up 9 to 208p and Willis Faber 10 to 695p.

Infrared Associates staged a satisfactory debut in the Unlisted Securities Market; the shares opened at the placing price of 94p and touched 98p prior to closing at 95p.

Leading Breweries gave modest ground in subdued trading. Allied-Lyons, still awaiting further developments in the Elders IXL bid situation, eased a few pence to 267p, while Greenall Whitley, the subject of a "sell" recommendation from brokers Wood Mackenzie, gave up a couple of pence to 188p. Elsewhere, Distillers eased 6 to 387p.

Barratt Developments gave up 4 to 98p awaiting today's annual results, but RMC were a shade dearer at 386p ahead of tomorrow's half-timer. George Wimpey, interim results due on Thursday, lost 3 to 113p, while Ibstock Johnsen, also reporting soon, slipped a couple of pence to 152p. Elsewhere, in Buildings, recently-firm Countryside Properties encountered profit-taking and gave up 14 to 294p, but Baggeridge Brick continued to atract buyers on takeover hopes and rose 12 to 296p.

ICI, marked down to 625p initially in the wake of sterling's strong performance against the dollar, steadily improved from the lower level to close just 7 cheaper on balance at 637p. Amersham International, however, were a weak market throughout and lost 15 to 322p.

Revived talk of a reduction in interest rates and a consequent increase in already buoyant consumer spending gave an early boost to leading Stores. As on Friday, however, best levels were not always maintained. Burton, strong on Friday in response to a broker's bullish circular, added 8 more to 525p, as did British Home at 295p. Despite revealing first-half profits in excess of most market estimates, Combined English encountered sporadic profit-taking and dipped a couple of pence to 160p. In contrast, Mail-orders received a fillip from Freemans which advanced 8 to 280p after the better-than-expected half-timer. Empire closed 6 up at 146p, while Grattan, due to reveal preliminary figures on Thursday, closed a couple of pence up at 314p. Attention elsewhere in secondary Stores centred on Bentalls which attracted substantial interest ahead of Thursday's interim statement to finish 12 higher at 114p.

FINANCIAL TIMES STOCK INDICES

	Sept. 23	Sept. 20	Sept. 19	Sept. 18	Sept. 17	Sept. 16	year ago
Government Secs	84.02	83.39	83.19	83.25	83.25	83.15	80.35
Fixed Interest	89.15	88.66	88.56	88.56	88.40	88.33	83.71
Ordinary ♥	995.3	1002.2	1007.8	1000.8	1002.7	1007.7	863.4
Gold Mines	312.9	310.6	308.6	316.4	315.4	317.4	584.6
Ord. Div. Yield	4.79	4.75	4.72	4.75	4.74	4.72	4.83
Earnings, Yld. %(full)	11.75	11.66	11.57	11.66	11.63	11.58	11.51
P/E Ratio (net) (*)	10.54	10.63	10.70	10.62	10.64	10.70	10.44
Total bargains (Est.)	21,176	21,040	20,647	20,596	20,720	21,429	17,557
Equity turnover £m.	—	354.93	373.30	371.34	315.57	327.29	223.55
Equity bargains	—	19,471	16,265	17,057	17,856	18,762	15,376
Shares traded (ml)	—	167.3	178.2	200.2	164.4	172.0	123.3

♥ 10 am 992.0. 11 am 994.2. Noon 995.0. 1 pm 996.1
2 pm 996.1. 3 pm 996.2. 4 pm 996.0.

Day's High 996.7. Day's Low 991.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activities 1974.

Latest Index 01-246 8026.

* Nil=10.16.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.02 (23/9)	76.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	89.15 (23/9)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	911.0 (25/7)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	556.9 (15/4)	280.1 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Sept. 20	Sept. 19
Daily Gilt Edged Bargains	166.0	95.2
Equities Bargains	126.2	105.4
Equities Value	757.6	754.5
5 day Average Gilt Edged Bargains	130.0	119.7
Equities Bargains	115.9	118.5
Equities Value	706.4	775.4

Cont. Microwave up

Company trading statements provided contrasting features among second-line Electricals. USM-quoted Continental Microwave justified last Friday's strength and advanced 48 further to 393p in response to the sharply increased full-year figures. RB Electronics Components, slumped 5 to 43p following the interim profits setback. Further consideration of the impressive interim profits, including a "buy" recommendation from brokers de Zoete and Bevan, lifted SCUSA a few pence to 99p.

Speculation that Evered Holdings would launch a full-scale takeover bid for TI following the announcement of the former's interim results proved wide of the mark and subsequent selling left TI shares a net 10 lower at 394p; Evered gave up 3 to 237p, after 243p, despite the increased profits and dividend.

Elsewhere in Engineerings, Porter Chadburn continued to reflect persistent rumours of an imminent bid from GM Firth and surged ahead to close a further 17 up at a 1985 high of 247p. Thomas Robinson extended their recent good run and settled another 6 firmer at 120p, while favourable Press comment prompted support for Renold, 1½ better at 57½p.

The majority of Food issues lost ground in line with the general trend, but Ranks Hovis McDougall attracted revived demand on Press suggestions of a possible takeover bid from Allied-Lyons and closed 4 higher at the day's best of 152p. Elsewhere, Cadbury Schweppes reacted to 133p on currency influences before closing 3 cheaper on balance at 135p. Rowntree Macintosh, which revealed uninspiring results last week, gave up 8 to 362p, while Northern Foods, a rising market of late, came back 8 to 278p on profit-taking Normans added 1½ to 79½p on revived takeover hopes, while Semportex gained 4 to 95p on asset injection prospects.

Dull initially along with other overseas earners, Grand Metropolitan steadied and closed only 3 cheaper on balance at 330p, after 328p. Trusthouse Forte, however, finished 4 down at the day's lowest of 135p.

Internationals react

International stocks bore the brunt of the selling in the miscellaneous industrial sector, but most quotations staged a moderate rally to close above the worst. Beecham settled 5 off at 328p and BTR finished 11 down at 355p, while Glaxo, after dipping to £12⅜, closed ½ lower at £12⅝. Hanson Trust were finally 5 cheaper at 199p, while Metal Box lost 10 to 485p. British Aerospace again bucked the trend and rose 10 to 415p after 420p, encouraged by the prospect of a possible multi-million pound Soviet deal and the successful £1.6bn Indian Airlines order. Elsewhere, Office and Electronic Machine settled a penny cheaper at 242p following the bid approach from F. H. Tompkins, 9 down at 238p. Beatson Clark rose 10 to 168p in reply to the good half-year figures, but Evered slipped 3 to 237p following interim profits much in line with market estimates. Parker Knoll A were a bright spot at 220p, up 31, following increased annual profits, but Bespak remained a weak market in the wake of a broker's profits downgrading and fell 15 more to 140p. J. Bibby rose 10 to 235p in response to favourable Press comment, while Rank Organisation firmed 8 to 420p on revived speculative buying.

Currency considerations hindered recent support of Jaguar which dipped 7 to 275p. Armstrong Equipment, a buoyant market last week following the excellent preliminary results, eased a couple of pence to 53p, but revived demand was noted for Lucas, finally 10 higher at 383p, after 385p.

Properties made a selectively firm showing on revived interest rate optimism. British Land were favoured at 161p, up 5, while Peachey gained 4 to 265p. Haslemere Estates rose 6 to 502p and Slough Estates firmed 3 to 155p. Land Securities, however, were a quiet market and unchanged at 302p, but MEPC hardened a penny to 300p.

Otherwise idle Textiles highlighted Coats Patons, which having been a weak market last week following the disappointing interim figures, rallied 9 to 144p with the help of Press comment. Towles A, also in receipt of a favourable mention, advanced a similar amount to 72p.

In Financials, IFICO continued to give ground in the wake of the company's bearish remarks regarding profit margins to finish another 12 off at 138p—a decline of 50 over the last three trading sessions.

Oils dip and rally

Sentiment in the oil sector was disturbed by the marked weakness of the dollar following the New York meeting of finance ministers and dealers marked leading issues lower at the opening. However, an early bout of U.S. selling was quickly absorbed by London buyers concerned over the latest threat by Iran to close the Straits of Hormuz to international traffic in the event of further major damage to its oil exporting terminal at Kharg Island. By the close of trading the "big two" oil stocks, BP and Shell were showing falls of around 3 apiece at 533p and 673p respectively. Tricentrol 190p and Ultramar 205p, rallied from initial minor falls and settled with gains in the region of a couple of pence, while Burmah hardened a shade to 287p. Among secondary issues, Berkeley Exploration moved up 5 to 90p following the interim results while exploration hopes boosted Sun (UK) Royalty to 180p prior to a close of 165p, a net gain of 15.

Golds firmer

The outcome of the Group of Five meeting in New York over the weekend had a marked impact on mining markets. A sharp rise in the bullion price following the steep decline in the dollar encouraged a flurry of overseas buying of South African gold and related issues which extended throughout the morning session and into the early afternoon. However, the weight of demand for Golds from Johannesburg brought downward pressure to bear on the Rand and buying interest tended to dry up thereafter. Dollar prices for Golds showed strong gains for much of the day but the pound's strength against the U.S. currency restrained improvements in gold share prices in sterling terms. This was demonstrated by the Gold Mines index which showed only a 2.3 rise to 312.9. Bullion approached the $330 level during the morning before easing to end the day a net $8 higher at $327.5 an ounce.

Dealers expressed disappointment with the level of turnover in UK-domiciled Financials. RTZ gave up 5 to 545p in front of Wednesday's interim results. Consolidated Gold Fields edged up to 453p bid early on, boosted by the sharp rise in gold, but subsequently ran back to close 3 easier on balance at 447p.

A buoyant performance by overnight Sydney and Melbourne markets failed to follow-through into London, where Australians were held back by the sharp rise in sterling. Golds managed to register widespread gains with Central Norseman 10 better at 418p, and Gold Mines of Kalgoorlie 5 to the good at 525p. Similar improvements were seen in Poseidon, 196p, Sons of Gwalia, 147p and Pancontinental, 102p. Among the speculative issues West Coast Holdings hardened 2 to 26p in response to favourable Press comment, while Gem Exploration advanced 9 to 84p.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 23	Oct 4	Dec 19	Jan 6
Oct 7	Oct 18	Jan 9	Jan 20
Oct 21	Nov 1	Jan 23	Feb 3

For rate indications see end of Unit Trust Service

Money was given for the call of Terrex, Energy Capital, Polly Peck, West Coast, Kia Ora Gold, Falcon Resources, Greenall Whitley, Barratt Developments, Steinberg, Control Securities, Chloride, Ashley Industrial Trust, Atkins Bros, Sears, Aberdeen Steak Houses and Crystalate. A put was taken out in M.K. Electric, but no doubles were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	97	8	2
Corpns Dom and Foreign Bonds	46	—	33
Industrials	215	364	908
Financial and Props	58	230	288
Oils	15	28	83
Plantations	2	1	15
Mines	45	49	89
Others	8	149	73
Totals	485	829	1,469

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Brit. Aerospace	415	+10
Brit. Home Stores	295	+ 8
Burmah Oil	287	+ 1
Coats Patons	144	+ 9
Hanson Trust	199	− 5
Indl. Fin. & Inv.	138	−12
Jaguar	275	− 7
Lloyds Bank	388	−19
Lucas Inds.	383	+10
Rank Org.	420	+ 8
Reuters B	321	− 5
TI	394	−10

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
TI	19	404	+16
Blue Circle	18	520	− 3
ICI	15	644	−15
Int Signal C...	14	315	+12
Metal Box	13	495	− 7
Micro Focus	13	140	+10
SCUSA	13	96	+ 4
Brit Aerospace	12	405	− 6
Shell Trans	12	675	− 8
Allied-Lyons	11	270	− 3
Cns Gold Flds	11	450	+ 7
Distillers	11	393	− 2

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon Sept 23 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Fri Sept 20 Index No.	Thur Sept 19 Index No.	Wed Sept 18 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	518.62	−0.7	11.08	4.35	11.32	11.81	522.14	523.97	519.91	520.87
2	Building Materials (22)	547.42	−0.4	11.98	4.86	10.38	13.04	549.50	550.30	546.54	460.15
3	Contracting, Construction (29)	820.79	−0.6	12.39	5.07	10.25	26.76	825.78	824.87	822.79	665.18
4	Electricals (14)	1456.54	−0.1	10.61	5.08	12.06	35.52	1458.29	1461.21	1452.30	1519.37
5	Electronics (38)	1295.27	−0.3	11.74	3.48	11.24	30.05	1299.69	1328.59	1312.33	1914.45
6	Mechanical Engineering (62)	304.51	−0.1	11.08	4.66	11.03	7.55	304.92	304.25	301.44	257.50
8	Metals and Metal Forming (7)	204.52	−0.3	12.82	7.78	9.69	5.75	205.21	203.61	202.48	185.71
9	Motors (16)	171.97	−1.0	13.22	4.94	9.20	4.02	173.73	173.81	173.93	128.78
10	Other Industrial Materials (18)	943.85	−2.1	7.91	3.81	15.13	15.81	963.66	960.48	945.95	694.34
21	CONSUMER GROUP (176)	686.80	−0.3	9.23	3.86	13.56	13.25	688.19	688.31	685.73	530.95
22	Brewers and Distillers (23)	700.46	−0.6	9.86	4.19	12.80	13.84	704.40	705.92	706.72	501.80
25	Food Manufacturing (21)	492.17	−0.8	12.08	4.90	10.68	13.61	496.20	497.74	498.91	410.69
26	Food Retailing (14)	1624.17	−0.9	6.04	2.58	22.48	22.67	1638.59	1631.15	1621.66	1247.27
27	Health and Household Products (9)	1051.24	−1.3	6.60	2.85	17.79	11.95	1064.99	1070.75	1062.01	920.66
29	Leisure (22)	673.35	−0.6	8.40	4.92	15.57	22.96	677.88	677.19	671.92	585.25
32	Newspapers, Publishing (12)	1901.48	+0.1	7.69	4.41	16.68	38.80	1900.13	1893.78	1886.12	1307.88
33	Packaging and Paper (14)	362.21	−0.3	9.79	4.14	12.25	7.49	363.13	366.00	363.38	240.47
34	Stores (42)	706.60	+1.1	7.19	3.03	18.82	9.86	699.00	697.48	693.41	452.31
35	Textiles (16)	332.03	+1.1	13.01	5.05	8.73	8.88	328.41	328.75	326.88	273.66
36	Tobaccos (3)	739.31	−1.1	18.24	6.08	6.25	21.66	747.91	743.15	743.45	748.98
41	OTHER GROUPS (101)	688.99	−0.3	9.25	4.14	14.00	15.03	691.32	697.99	687.08	476.00
42	Chemicals (19)	657.17	−1.0	14.94	5.79	8.85	25.17	663.93	672.88	670.98	628.74
44	Office Equipment (4)	206.25	+1.6	7.75	4.24	15.40	5.79	203.07	205.34	202.20	146.45
45	Shipping and Transport (12)	1195.45	−0.3	7.86	4.50	15.73	36.28	1198.79	1200.84	1183.75	876.42
46	Miscellaneous (64)	837.51	−1.0	7.71	3.88	15.93	15.19	845.55	842.48	843.25	664.20
48	Telephone Networks (2)	910.37	+0.2	8.16	3.56	16.33	14.38	908.37	924.39	895.13	0.8
49	INDUSTRIAL GROUP (483)	649.78	−0.4	9.68	4.05	13.05	13.53	652.45	654.75	649.55	525.23
51	Oils (17)	1125.81	−0.3	16.76	7.78	7.32	59.64	1129.51	1139.31	1131.80	1133.75
59	500 SHARE INDEX (500)	689.99	−0.4	10.58	4.53	11.86	17.22	692.76	695.65	690.25	576.26
61	FINANCIAL GROUP (115)	474.98	−0.6	—	5.09	—	13.25	477.94	478.80	474.44	386.30
62	Banks (6)	458.79	−1.8	19.53	6.45	7.32	19.80	467.04	470.13	465.74	372.83
65	Insurance (Life) (9)	737.60	−0.5	—	4.59	—	16.03	741.35	742.26	738.64	518.15
66	Insurance (Composite) (7)	361.65	−0.4	—	5.45	—	8.58	362.99	364.59	358.01	278.01
67	Insurance (Brokers) (7)	1084.64	−2.5	7.69	3.95	17.40	25.71	1112.37	1115.01	1115.22	833.08
68	Merchant Banks (11)	240.85	+0.3	—	4.68	—	5.80	240.14	239.94	240.81	209.64
69	Property (50)	664.95	+0.4	5.64	3.64	23.79	11.44	662.26	659.14	651.16	595.61
70	Other Financial (25)	280.62	+0.5	10.50	5.87	11.73	9.77	279.17	279.15	277.54	252.45
71	Investment Trusts (106)	582.55	−1.5	—	3.60	—	11.58	591.21	590.26	588.80	533.67
81	Mining Finance (3)	251.52	−0.8	12.91	6.09	8.99	5.36	253.51	254.59	256.21	274.45
91	Overseas Traders (14)	580.51	−0.7	12.89	6.86	9.30	23.86	584.36	590.68	592.13	584.01
99	ALL-SHARE INDEX (738)	628.33	−0.5	—	4.61	—	15.86	631.43	633.70	628.98	528.24

	Index No.	Day's Change	Day's High	Day's Low	Sept 20	Sept 19	Sept 18	Sept 17	Sept 16	Year ago
FT-SE 100 SHARE INDEX	1292.1	−6.6	1292.5	1286.1	1298.7	1306.8	1294.8	1296.0	1300.2	1122.1

FIXED INTEREST

	PRICE INDICES	Mon Sept 23	Day's change %	Thur Sept 20	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.72	+0.41	119.44	0.21	8.43
2	5-15 years	134.20	+0.87	133.04	—	10.00
3	Over 15 years	139.00	+1.00	137.62	—	9.92
4	Irredeemables	152.98	+1.28	151.05	—	8.90
5	All stocks	131.64	+0.74	130.76	0.08	9.51
6	Debentures & Loans	113.48	+1.01	112.34	—	7.82
7	Preference	81.02	+0.40	80.69	—	5.21
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	112.18	−0.04	112.23	—	2.46

	AVERAGE GROSS REDEMPTION YIELDS		Mon Sept 23	Fri Sept 20	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	9.85	9.98	11.13
2		15 years	10.07	10.19	10.56
3		25 years	10.09	10.20	10.10
4	Medium Coupons	5 years	10.62	10.79	11.83
5		15 years	10.40	10.54	10.95
6		25 years	10.07	10.20	10.30
7	High Coupons	5 years	10.69	10.87	11.86
8		15 years	10.54	10.68	11.12
9		25 years	10.24	10.37	10.40
10	Irredeemables†		9.71	9.85	10.04
11	Debs & Loans	5 years	11.27	11.56	12.32
12		15 years	11.29	11.43	12.73
13		25 years	11.19	11.30	11.95
14	Preference†		12.10	12.15	13.15
15	Inflation rate	5%	3.46	3.52	3.80
16		10%	3.28	3.32	3.60

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (113)

[illegible]

NEW LOWS (135)

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 39,070

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

[illegible]

September 23 Total Contracts 8,560 Calls 5,414 Puts 2,946
*Underlying security price.

WORLD STOCK MARKETS

AUSTRIA

Sept. 23	Price Sch%	+ or −
Creditanstalt	365	−3
Goesser	510	−9
Interunfall	1590	−10
Laenderbank	366	−2
Perlmooser	630	−5
Steyr-Daimler	165	−2
Veitscher Mag	584	+10

BELGIUM/LUXEMBOURG

Sept. 23	Price Frs.	+ or −
B.L.	8,075	
Banq. Gen Lux	7,500	+100
Banq. Int. A. Lux	7,200	
Bekaert B	6,890	−100
Ciment CBR	2,485	−45
Cockerill	210	−8
Delhaize	8,350	
EBES	3,100	
Electrobel	9,090	−50
Fabrique Nat	2,030	+50
G B Inno BM	4,185	−65
GBL (Brux)	2,115	+5
Gevaert	4,250	
Hoboken	5,760	
Intercom	2,390	+5
Kredietbank	9,550	+50
Pan Hldgs.	10,250	
Petrofina	6,160	−60
Royale Belge	13,000	
Soc. Gen. Banq	3,590	+10
Soc. Gen. Belge	1,920	−35
Sofina	7,800	−80
Solvay	5,400	−280
Stanwick Intl.	1,300	
Traction el.	4,130	−10
UCB	5,560	−140
Wagon Lits	3,900	+250

DENMARK

Sept. 23	Price Knr %	+ or −
Andelsbanken	325	
Baltic Skand	550	+5
CopHandelsbank	299	
D. Sukkerfab	495	
Danske Bank	345	
De Danske Luft	1,335	
East Asiatic	247	+7
Forenede Brygg	1,055	+10
Forenede Damp.	208	−2
GNT Hldg	550	
I.S.S.B.	560	
Jyske Bank	710	
Novo Ind s	1,230	−95
Privatbanken	300	
Provinsbanken	407	
Smidth (F.L) B	295	+7
Sophus Berend	1,080	+5
Superfos	385	+5

FRANCE

Sept. 23	Price Frs.	+ or −
Emprunt 4½% 1975	1,592	
Emprunt 7% 1973	8,190	−45
Accor	256.8	−6.7
Air Liquide	552	−2
BIC	463	−15
Bongrain	1,550	−45
Bouygues	705	−15
BSN Gervais	2,140	+10
CIT-Alcatel	1,190	−8
Carrefour	2,238	−17
Club Mediter'n	470.5	−12.5
Cie Bancaire	630	
Cofimeg	288.9	−0.5
Damart	1,831	+11
Darty	1,399	
Dumez S.A.	764	−1
Eaux (Cie Gen)	606	−13
Elf-Aquitane	185	−8
Essilor	2,125	−35
Gen.Occidentale	700	−9
Imetal	77.6	−3.7
Lafarge Coppee	495	−7
L'Oreal	2,375	−25
Legrand	2,075	−45
Maisons Phenix	185	+7
Matra S.A.	1,716	
Michelin B	1,073	
Midi (Cie)	3,095	−14
Moet-Hennessy	1,870	−61
Moulinex	72	−2
Nord Est	106.4	+2
Pernod Rica	696	−4
Perrier	444	−2.5
Petroles Fra	211	−4.5
Peugeot S.A.	393	+1
Printempts Au	299.9	+2.4
Radiotech	315	+4
Redoute	1,399	−7
Roussel-Uclaf	1,515	+44
Sefimeg	351	+1
Skis Rossignol	1,250	−52
Telemec Elect	2,660	−25
Thomson CSF	532	−11
Valeo	239	−2

GERMANY

Sept. 23	Price Dm.	+ or −
AEG-Telef	141.5	−3.9
Allianz Vers	1,570	−40
BASF	233.7xr	−5
Bayer	229.7	
Bayer-Hypo	399	−2
Bayer-Verein	400	−10
BHF-Bank	336	−5.9
BMW	479	−18
Brown Boveri	269.5	−8.5
Commerzbank	220.5	−4.6
Cont'L Gummi	156	
Daimler-Benz	958	−28
Degussa	368	+1.5
D'sche Babcock	175	−7.2
Deutsche Bank	603	−9.8
Dresdner Bank	279	−4.5
GHH	193.5	−4.5
Hochtief	747	−2.5
Hoechst	222	−4.6
Hoesch Werke	129.5	+1
Holzmann (P)	493 xd	
Horten	198	−6
Hussel	397	
Karstadt	278	+3
Kaufhof	306	
KHD	309	
Kloeckner	71	−2
Linde	565	−3
Lufthansa	228	−1.5
MAN	183	−0.8
Mannesmann	227.5	−3
Mercedes Hld	851	−25
Metallgesell	275	+5
Muench Rueck	1,950	−20
Nixdorf	568.5	−12
Porsche	1,349	−75
Preussag	262	−1.5
Rhein West Elect	200.5	+1
Rosenthal	300	+3
Schering	509	−10
Siemens	599	−16.5
Thyssen	148.5	+8.4
Varta	253.5	−2.5
Veba	241.5	−1.6
V.E.W.	144	−1
Verein-West	346	+1
Volkswagen	333.5	−9

ITALY

Sept. 23	Price Lira	+ or −
Banco Com'le	24,500	
Bastogi-IRBS	332	−2
B.I-Invest	5,600	
Centrale	3,450	+5
Credito Varesino	4,961	
Fiat	4,590	+58
Finsider	—	
Generali Assicur.	62,100	−1200
Italcementi	49,700	
La Rinascente	1,020	−29.5
Montedison	2,525	+15
Olivetti	7,400	−155
Pirelli Co	5,599	
Pirelli Spa	3,222	
Saipem	6,190	
Snia BPD	3,950	−11
Toro Assic	20,590	
do Pref	15,350	

NETHERLANDS

Sept. 23	Price Fls	+ or −
ACF Holding	226	
AEGON	94.3	−2.7
Ahold	258	−4.3
AKZO	127.3	−0.9
ABN	497.5xr	−2.5
AMEV	296	−0.7
AMRO	86	−0.7
Bredero Cert	168	−2
Bos Kalis Westm.	14.5	−0.4
Buehrmann-Tet.	105	−2
Calland Hldgs.	29.5	−0.7
Dordtsche Pet'm	173.7	−2.5
Elsevier-NDU	138.5	+0.5
Fokker	79.1	−1.1
Gist Brocades	221.5	−1.3
Heineken	165.8	+0.1
Hoogovens	62.3	−0.2
Int Mueller	62	−1.5
KLM	57	−1.6
Naarden	48.7	−0.3
Nat Ned Cert	75	−0.1
Ned Mid Bank	206.2	−3.8
Nedlloyd	187	−2.5
Oce Grinten	347	−3.2
Ommeren (Van)	26.7	−0.4
Pakhoed	65.7	−1.3
Philips	49.3	−1
Robeco	75.5	−0.5
Rodamco	134.1	−1
Rolinco	68.4	−0.6
Rorento	46.2	−0.6
Royal Dutch	188.5	−2.9
Unilever	337	−5.5
VMF Stork	238.5	+0.5
VNU	225	−0.5
Wessanen	166	−3
West Utr Bank	93	−0.8

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Sept. 23	Price Kroner	+ or −
Bergens Bank	150	−2
Borregaard	446	+8.5
Christiania Bank	149	+0.5
DenNorske Cred	161	+0.5
Elkem	119.5	
Kosmos	216	
Kvaerner	178	+3.5
Norsk Data	390	−5
Norsk Hydro	116	
Storebrand	290.5	+1.5

SPAIN

Sept. 23	Price Pts%	+ or −
Bco Bilbao	339	
Bco Central	313	
Bco Exterior	200	
Bco Hispano	142	−2
Bco Popular	530	−3
Bco Santander	353	
Bco. Vizcaya	440	
Dragados	131	+0.5
Hidrola	70.2	−0.7
Iberduero	67.7	−1.3
Petroleos	131.5	−1.5
Telefonica	113.5	

SWEDEN

Sept. 23	Price Kronor	+ or −
AGA	128	−3
Alfa-Laval B	203	−1
ASEA (Free)	290	
Astra (Free)	404	+4
Atlas Copco	119	
Cardo (Free)	226	−2
Cellulosa	135	−2
Electrolux B	144xc	−2
Ericsson B	285	−6
Esselte	365	
Mo och Domsjo	177	−3
Pharmacia	161	−7
Saab Scania Free	425	
Sandvik	465	
Skandia	305	−5
Skan Enskilda	53.5	
SKF	228	
St Kopparbergs	170	−5
Sonesson	156	
Sven Handlesbn	175	+1
Swedish Match	200	−3
Volvo B (Free)	226	−6

SWITZERLAND

Sept. 23	Price Frs.	+ or −
Adia Intl	4,130	−35
Alusuisse	750	−5
Bank Leu	3,750	−35
Brown Boveri	1,710	−75
Ciba Geigy	3,400	−40
do. (Part Certs)	2,640	−50
Credit Suisse	2,970	−75
Elektrowatt	3,375	−65
Fischer(Geo.)	1,010	−40
Hoff-Roche PtCts	99,500	−1,750
Hoff-Roche 1/10	9,500	−225
Jacobs Suchard	6,850	−75
Jelmoli	2,775	−50
Landis & Gyr	2,090	−70
Nestle	7,450	−125
Oer-Buehrle	1,615	−75
Pirelli	383	−7
Sandoz (Br)	8,500	−200
Sandoz (PtCts)	1,460	−70
Schindler (Pt Cts)	875	−5
Sika	1,525	−55
Surveillance A	5,310	−230
Swissair	1,430	−10
Swiss Bank	475	−4
Swiss Reinsce	11,900	−300
Swiss Volksbk	2,000	−30
Union Bank	4,290	−50
Winterthur	4,550	−75
Zurich Ins	5,450	−75

AUSTRALIA

Sept. 23	Price Aust $	+ or −
ANZ Group	4.84	+0.14
Alliance Oil Dev.	1.05	
Ampol Pet	2.20	+0.04
Ashton	1.15	+0.05
Aust. Cons. Ind	2.75	+0.07
Aust. Guarantee	2.85	+0.05
Aust. Nat. Inds	2.75	
APM	2.9	+0.05
Bell Group	9.5	+0.2
Bell Res	8.2	+0.2
Bond Corp Hldgs	1.88	+0.05
Boral	3.23	−0.57
Bougainville	1.92	+0.07
Brambles Inds	4.05	+0.05
Bridge Oil	2.35	−0.13
B.H. Prop	7.54	+0.14
CRA	5.38	+0.06
CSR	3.18	+0.06
Castlemaine Tys	8.0	
Coles (G.J.)	4.18	+0.11
Comalco "A"	1.65	
Consolidated Pet	0.34	−0.01
Costain Aust	2.0	
Dunlop Olympic	2.46	
Elders IXL	3.28	−0.02
Energ Res	1.62	

AUSTRALIA (continued)

Sept. 23	Price Aust.$	+ or −
Gen. Prop. Trust	2.18	
Hardie (James)	3.22	+0.04
Hartogen Energy	2.2	+0.05
Herald W'ylimes	4.85	+0.15
ICI Aust	2.2	+0.05
Jimberlana F.P.	0.28	−0.02
Kia Ora Gold	0.14	−0.01
Lend Lease	6.3	+0.02
MIM	2.52	+0.04
Mayne Nickless	3.05	
Myer Emporium	3.5	+0.08
Nat. Aust. Bank	4.83	+0.13
News	7.0	
Nicholas Kiwi	2.00	
North Bkn Hill	2.5	+0.08
Oakbridge	1.3	+0.08
Pancontinental	2.0	+0.05
Pioneer Conc	2.08	+0.12
Poseidon	3.9	+0.1
Queensland Coal	1.57	+0.02
Reckitt & Colman	3.75	
Repco	1.38	
Santos	6.04	+0.09
Smith (Howard)	6.7	+0.1
Thos. Natwide	2.15	+0.1
Tooth	6.56	
Vamgas	3.35	
Western Mining	3.88	+0.1
Westpac Bank	4.78	+0.13
Woodside Petrol	1.3	
Woolworths	3.3	+0.05
Wormald Intl.	3.6	−0.33

HONG KONG

Sept. 23	Price H.K.$	+ or −
Bank East Asia	21.1	−0.3
Cheung Kong	17.6	−0.1
China Light	15.1	+0.1
Evergo	0.85	
Hang Seng Bank	41.25	−0.75
Henderson Land	2.15	−0.07
HK China Gas	9.8	
HK Electric	7.85	−0.1
HK Kowloon Wh.	6.55	
HK Land	6.0	−0.05
HK Shanghai BK.	7.2	+0.05
HK Telephone	8.5	
Hutchison Wpa	25.5	−0.1
Intnl. City	0.86	−0.02
Jardine Math	11.2	−0.4
New World Dev.	7.4	
Orient O'seas	1.99	
SHK Props	12.4	−0.1
Shell Elect	1.01	
Swire Pac A	23.7	−0.3
TV—B	5.7	+0.05
World Int. Hldgs.	2.05	

JAPAN

Sept. 20	Price Yen	+ or −
Ajinomoto	1,170	+20
All Nippon Air	618	−1
Alps Electric	1,290	+20
Asahi Chem	756	−1
Asahi Glass	790	−10
Bank Tokyo	785	
Bridgestone	555	+4
Brother Inds	540	−5
Canon	1,020	+20
Casio Comp	1,670	
Daiei	676	−9
Dia-Ichi Kan. Bk.	1,550	+30
Dia Nippon Ink	395	+7
Dai Nippon Ptg.	1,050	
Daiwa House	891	+2
Daiwa Sec.	664	−11
Eisai	1,260	+10
Fanuc	7,800	−50
Fuji Bank	1,590	
Fuji Film	1,960	+10
Fujisawa	849	+12
Fujitsu	909	+4
Furukawa Elect.	332	+2
Green Cross	2,100	+50
Heiwa Real Est	770	−2
Hitachi	654	+5
Hitachi Credit	1,040	−10
Honda	1,310	+10
Indl. Bk. Japan	1,170	−30
Ishikawajima Hr.	205	+3
Isuzu Motors	377	−4
Itoh (C)	424	+3
Ito. Yokado	2,710	−50
JAL	5,030	+30
Jusco	886	+9
Kajima	516	−4
Kao Soap	856	−2
Kawasaki Steel	149	+2
Kirin	702	+3
Kobe Steel	192	−1
Komatsu	580	+4
Konishiroku	690	+1
Kubota	356	+5
Kumagai	880	−4
Kyocera	3,490	+50
Marubeni	385	−3
Marui	1,530	
Mazda Motors	420	
Meiji Seika	545	+14
MEI	1,220	+20
M'bishi Bank	1,490	+30
M'bishi Chem	500	+18
M'bishi	613	−6
M'bishi Elect	340	+2
M'bishi Estate	980	−1

JAPAN (continued)

Sept. 20	Price Yen	+ or −
MHI	437	+8
Mitsui Bank	1,150	+10
Mitsui	418	
Mitsui Estate	985	−2
Mitsui Toatsu	231	+1
Nikko Sec	786	
Mitsukoshi	670	−5
Nippon Denso	1,270	+10
Nippon Elect	950	−1
Nippon Express	584	−11
Nippon Gakki	1,300	+40
Nippon Kogaku	920	+10
Nippon Kokan	144	−1
Nippon Oil	700	
Nippon Seiko	476	+4
Nippon Shimpan	675	+3
Nippon Steel	170	+2
Nippon Suisan	417	+9
Nippon Yusen	337	+2
Nissan Motor	608	
Nisshin Flour	493	+3
Nomura	1,110	−20
Olympus	1,050	+20
Onada Cement	360	+18
Orient Finance	934	
Orient Leasing	2,590	−10
Pioneer	1,580	−30
Ricoh	850	+5
Sankyo	1,140	+30
Sanwa Bank	1,390	−20
Sanyo Elect	400	+2
Sapporo	612	−3
Sekisui Prefab	919	−11
Seven-Eleven	8,150	+50
Sharp	791	−4
Shimizu Constn	403	+8
Shionogi	782	+32
Shiseido	1,140	+20
Showa Denko	216	
Sony	3,630	+30
S'tomo Bank	1,710	+30
S'tomo Chem.	249	
S'tomo Corp.	715	
S'tomo Elect	715	
S'tomo Metal	156	+4
Taisei Corp.	380	−30
Taisho Marine	559	−1
Taiyo Kobe Bank	728	+3
Takeda	875	+15
TDK	4,170	+100
Teijin	496	
Toa. Nenryo	1,060	
Tokai Bank	1,020	+25
Tokio Marine	850	−1
Tokyo Elect Pwr	2,130	+20
Tokyo Gas	240	
Tokyu Corp	547	
Toppan Print	793	+2
Toray	540	+2
Toshiba Elect	335	+3
Toyo Seikan	1,280	
Toyota Motor	1,170	+20
UBE Inds	242	+2
Victor	1,340	
Yamaha	690	+2
Yamaichi Sec	774	
Yamazaki	819	+8
Yasuda Fire	532	−7

SINGAPORE

Sept. 23	Price $	+ or −
Boustead Hldgs	1.63	
Cold Storage	3.12	+0.06
DBS	5.2	−0.15
Genting	5.5	−0.05
Haw Par. Bros	2.23	+0.03
Hong Leong Fin	2.6	−0.05
Inchcape Bhd	2.34	+0.04
Keppel Shipyard	1.34	+0.03
Malay Banking	5.8	
Malay Utd. Ind	2.58	+0.1
Multi Purpose	0.86	
OCBC	8.2	
OUB	2.82	−0.02
Public Bank	1.84	−0.04
Sime Darby	1.77	−0.01
Singapore Press	6.	+0.1
Straits Trdg.	3.18xc	+0.02
Tat Lee Bk	2.58	
UOB	3.62	−0.04

SOUTH AFRICA

Sept. 23	Price Rand	+ or −
Abercom	1.65	−0.05
AE&CI	7.7	
Allied Tech	58.00	
Anglo Am Coal	56.50	
Anglo Am Corp	34	+0.25
Anglo Am Gold	193	+5.5
BarclaysBank	18	+0.5
Barlow Rand	11.9	+0.7
Buffels	75	+1.5
CNA Gallo	2.55	+0.1
Currie Finance	4.25	
De Beers	12.2	+0.15
Driefontein	52.25	+1.75
FS Geduld	50.5	+1.5
Gold Fields SA	34.5	+1.5
Highveld Steel	5.35	+0.05
Nedbank	12.2	+0.5
OK Bazaars	11.3	−0.5
Protea Hldgs	2.4	
Rembrandt	42.75	−0.25
Rust Plat	19.5	+0.1
Safren	13.25	
Sage Hldgs	9.00	
SA Brews	7.60	+0.15
Smith (CG)	23.25	
Tongaat Huletts	5.4	+0.15
Unisec	5.30	−0.1

CANADA

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MONTREAL

Closing prices September 20

14505	Bank Mont	$29 7/8	29 5/8	29 3/4	
440	BombrdrA	$13 3/4	13 3/4	13 3/4	+1/4
6752	BombrdrB	$13	12 3/4	13	
20650	CB Pak	$22	20 7/8	22	+1
36530	Cascades	$11 1/8	10 5/8	10 7/8	+1/4
2089	ConBath	$16 1/4	16	16 1/4	+1/8
2754	DomTxtA	$10 7/8	10 3/4	10 3/4	−1/8
77632	Gaz Metro	$11 1/4	11 1/8	11 1/4	+1/8
22621	NatBk Cda	$21 3/8	21 1/4	21 1/4	+1/8
16500	Power Corp	$17 7/8	17 5/8	17 5/8	−3/8
13126	Royal Bank	$30 5/8	30	30 5/8	+1/8
950	RoyTrstco	$17 7/8	17 5/8	17 5/8	−3/8
2225	SteinbrgA	$25	25	25	

Indices

NEW YORK—DOW JONES

	Sept 23	Sept 20	Sept 19	Sept 18	1985 High	1985 Low
AUSTRALIA						
All ord. (1/1/80)	958.7	945.6	943.3	945.4	983.3 (13/9)	715.3 (7/1)
Metals & Mins. (1/1/80)	512.6	504.2	507.5	511.0	583.8 (20/5)	382.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	98.43	98.85	100.09	100.28	105.73 (17/8)	85.21 (2/4)
BELGIUM						
Brussels SE (1/1/80)	2490.34	2508.48	2485.10	2472.85	2490.34 (23/9)	2090.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	219.38	218.51	u	u	218.41 (9/9)	158.44 (8/1)
FRANCE						
CAC General (31/12/82)	216.2	218.0	218.3	218.0	233.1 (31/5)	180.9 (3/1)
Ind Tendance (28/12/84)	121.9	122.9	123.1	123.0	130.4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	522.0	526.98	520.89	522.84	519.38 (12/9)	382.39 (3/1)
Commerzbank (1/12/53)	1538.9	1552.6	1535.3	1541.1	1523.3 (12/9)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1535.45	1549.48	1563.27	1583.62	1711.51 (19/8)	1220.74 (2/1)
ITALY						
Banca Comm. Ital. (1972)	394.41	397.81	398.93	399.17	390.26 (13/9)	228.56 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	c	12668.9	12584.99	12529.86	13040.10 (8/7)	11545.2 (5/1)
Tokyo SE New (4/1/68)	c	1007.46	1004.18	1003.70	1057.55 (10/7)	916.93 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	218.8	221.5	221.2	220.0	223.0 (3/9)	185.6 (3/1)
ANP-CBS Indust (1970)	192.5	193.6	193.3	192.1	194.1 (3/9)	147.9 (3/1)
NORWAY						
Oslo SE (4/1/83)	387.75	336.72	386.08	385.99	387.75 (23/10)	288.18 (2/1)
SINGAPORE						
Straits Times (1966)	785.47	776.96	778.96	788.95	852.86 (7/3)	717.95 (15/7)
SOUTH AFRICA						
JSE Gold (28/9/78)	−	1068.5	1051.1	1034.9	1140.8 (15/4)	836.1 (11/2)
JSE Indust (28/9/78)	−	953.8	952.5	946.9	1036.8 (17/7)	767.1 (7/3)
SPAIN						
Madrid SE (28/12/84)	108.40	108.89	108.99	109.00	117.41 (4/2)	101.48 (2/1)
SWEDEN						
Jacobson & P (11/58)	1392.55	1389.52	1398.84	1386.88	1488.98 (11/2)	1285.32 (8/7)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	485.8	494.1	494.5	491.7	499.3 (11/9)	388.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	−	213.5	213.0	212.0	224.3 (17/7)	184.8 (4/1)

* Indicates pre-close figure ** Saturday September 7 Japan Nikkei Dow 12,479.08 TSE 1,017.58 Base values of all indices are 100 except Australia All Ordinary and Metals – 500 NYSE All Common – 50 Standard and Poors – 10† and Toronto Composite and Metals – 1000 Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds ‡ 400 Industrials § 400 Industrials plus 40 Utilities Financials and 20 Transports c Closed u Unavailable

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 41

NYSE COMPOSITE PRICES

Continued from Page 41

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
40 1/2	30 1/2	Witco	1.48	4.2	9	302	35 1/2	35 1/4	35 1/4	+1/4
214	185	Witco pf2.65		1.3		5	197	197	197	+2 3/4
14 1/2	9 1/2	WolvrW.24		2.1		238	12	11 5/8	11 5/8	−1/8
49 3/4	33 5/8	Wolwth	2	4.1	10	672	49	48 1/4	48 3/4	+3/4
4 7/8	2 5/8	WrldAr				16	4	4	4	
82 1/4	54 1/8	Wrigly 1.80a		2.3	14	105	80	79 1/2	80	+5/8
4 7/8	2 7/8	Wurltzr				5	3 1/8	3 1/8	3 1/8	
16	10 3/8	WyleLb .32		2.8	27	24	11 3/4	11 1/2	11 5/8	−1/8
23 3/8	15 1/2	Wynns .60		3.5	7	100	17 3/8	17 3/8	17 3/8	
		X Y Z								
55 1/2	35 1/4	Xerox	3	5.8	14	1653	52 1/2	51 3/4	52 1/4	+7/8
55 1/2	46 1/2	Xerox pf5.45		10.		22	54 5/8	54 3/8	54 3/8	−1/8
30 1/4	24 3/8	ZaleCp 1.32		4.8	10	34	27 3/4	27	27 1/4	+1/2
19	7 1/4	Zapata .12		1.6	54	108	7 3/4	7 3/8	7 1/2	−1/8
57 5/8	31 1/8	Zayre s .48		.9	16	146	51 5/8	50 1/2	51 1/8	+1/8
27	16 1/4	ZenithE			10	648	17 3/8	17	17	
21 7/8	15 1/4	Zero s .32		1.7	16	63	19 1/4	19	19	+1/8
37 3/4	22 3/4	Zurnin 1.32		3.7	12	263	36 1/8	35 7/8	36	

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES		
Bagger Brick	296	+ 12
Beatson Clark	168	+ 10
Bentalls	114	+ 12
Bibby (J)	235	+ 10
Brit Aero	415	+ 10
Brit. Home St.	295	+ 8
British Land	161	+ 5
Clive Discount	40	+ 3
Coats Patons	144	+ 9
Cont'l Micro	393	+ 48
Freemans	280	+ 8
Lucas Inds.	383	+ 10
Porter Chadburn	247	+ 17
Rank Org.	420	+ 8
Ranks H. McD.	152	+ 4
Robinson (Thos)	120	+ 6
Towles A.	72	+ 7

FALLS		
Amersham Intl.	322	− 15
Bespak	140	− 15
Countrys. Props	294	− 14
Ind'l F & I Corp	138	− 12
Lloyds Bank	388	− 19
Northern Foods	278	− 8
Rowntree Mac.	382	− 8
Sedgwick	345	− 12
TI	394	− 10
Tomkins (F.H.)	238	− 9

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FRANCE

Prices at 3pm, September 23

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24 3/8	16	AAR	.56	2.5	15	12	22 1/4	22 1/4	22 1/4	+1/8
17 3/8	9 3/4	AGS			13	155	16 1/2	16 1/4	16 3/8	+1/4
16 7/8	9 5/8	AMCA				20	10 3/8	10 1/4	10 3/8	+1/4
21 1/2	13	AMF	.25j		98	81	13 7/8	13 1/2	13 3/4	
50 3/4	26 1/4	AMR			7	2390	42 7/8	41 5/8	42	+7/8
23 5/8	18 5/8	AMR pf2.18		9.4		1502	23 1/4	23 1/4	23 1/4	-1/8
25 7/8	23	ANR pf 2.67		11.		1	23 5/8	23 5/8	23 5/8	
14 1/4	7 5/8	APL				144	9 1/4	9	9 1/4	
61 1/8	34 3/4	ASA	2	5.2		460	38 5/8	38	38 1/2	+1 5/8
27	11 5/8	AVX	.32	2.6	18	78	12 7/8	12 1/2	12 1/2	-1/4
26 1/8	19 1/4	AZP	2.72	11.	7	804	23 3/4	23 1/2	23 5/8	+1/8
60	36 3/4	AbtLab 1.40		2.5	16	1136	57 1/2	56 1/2	57	+1 1/8
25 7/8	20	AccoWd .50		2.4	15	185	21 1/8	20 5/8	20 5/8	-1/2
24 3/4	12 1/2	AcmeC .40		2.9		63	14	13 1/2	13 5/8	-1/4
10 1/2	7 3/8	AcmeE .32b		4.2	11	9	7 5/8	7 5/8	7 5/8	-1/8
19	15 1/2	AdaEx 1.92e		11.		136	18	17 1/2	17 3/4	+3/8
20	13 1/2	AdmMl .32		1.9	7	109	17 3/8	17	17	-1/2
17 3/4	8 5/8	AdvSys .53t		4.0	13	79	13 1/2	13 1/4	13 1/4	+1/8
37 3/8	22 1/8	AMD			16	3333	28 1/4	27 1/8	27 7/8	+1/8
12 1/8	6 7/8	Advest .12		1.3	20	56	9 1/8	9	9 1/8	+1/8
15 7/8	9 1/2	Aeroflex			11	74	13 1/8	12 3/4	13	+1/8
48 5/8	32 3/8	AetnLf 2.64		5.8	16	1693	45 3/4	45 3/8	45 1/2	+1/4
57 1/2	52 3/8	AetL pf5.79e		10.		6	55 1/2	55 1/4	55 1/2	
37 3/8	20 1/2	Ahmns 1.20		3.9	8	522	30 7/8	30 1/2	30 1/2	+1/4
3 5/8	2 1/2	Aileen				28	2 3/4	2 5/8	2 5/8	
57	42	AirPrd 1.48		2.8	12	296	52 7/8	52 1/8	52 7/8	+1
24 5/8	16	AirbFrt .60		2.7	13	54	23	22 5/8	22 5/8	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Continued on Page 41

NYSE COMPOSITE PRICES

Continued from Page 40

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
71½	70	PSEG pf8.16		12.		0	70	70	70	
23¼	17⅝	PSEG pf2.43		11.		1	21½	21½	21½	−⅛
73½	57¾	PSEG pf7.80		11.		z800	69¼	69¼	69¼	+1
69	55⅝	PSEG pf7.52		11.		z480	67⅝	67⅝	67⅝	+¾
88	70	PSEG pf9.62		11.		z20	84	84	84	+½
4⅛	2⅛	Publick				46	2⅝	2½	2½	−⅛
1-16	1-64	Publick rt				511	3-64	1-32	3-64	+1-64
15¼	9¼	Pueblo	.16	1.2	11	1	13¾	13¾	13¾	
9⅜	6	PR Cem			6	18	6⅝	6⅝	6⅝	+⅛
17	11⅝	PugetP	1.76	12.	8	323	14⅝	14⅛	14⅝	+¼
21¾	11	PulteHm	.12	1.0	16	155	12⅝	12¼	12⅝	+⅜
31⅞	18⅝	Purolat	.64j	3.4		143	19¼	18⅞	19	+⅜
10¼	6⅜	Pyro			7	77	6¾	6⅝	6⅝	−⅛
53⅛	33	QuakO	s1.40	2.7	14	531	52⅝	52⅛	52¼	+⅜
105	91	QuaO pf	9.56	9.6		z100	100	100	100	
23¾	16⅞	QuakSO	.80	3.9	18	230	20½	20¼	20⅜	+⅛
10½	6⅞	Quanex			24	132	7½	7¼	7⅜	+⅛
34¾	27	Questar	1.60	5.7	10	408	28⅝	28¼	28¼	
26⅛	14½	QkReil	.24a	1.1	14	49	21⅜	20¾	21¼	+¼
R R R										
9⅞	6¾	RBInd	.04j	.6		5	6¾	6¾	6¾	−⅛
49⅞	34	RCA	1.04	2.4	11	1861	43⅝	42½	42⅝	+⅛
40	29⅝	RCA pf	3.50	9.2		z200	38¼	38¼	38¼	
112	79½	RCA pf	4	4.1		2	99	98½	98½	+½
38⅛	31¾	RCA pf	3.65	9.7		13	37⅝	37⅝	37⅝	
9⅝	6¼	RLC	.20	2.7	13	65	7½	7⅜	7⅜	−⅛
4⅜	3⅛	RPC				15	3⅞	3⅝	3⅞	+⅜
19¾	12⅝	RTE	.56	3.2	8	80	17⅝	17⅜	17⅝	+¼
14½	8⅜	Radice			9	65	12⅞	12½	12⅞	+⅜
46⅞	30½	RalsPur	1	2.3	14	1205	44¼	43¼	44⅛	+1
9½	5⅛	Ramad			54	845	7⅝	7½	7½	−¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

Continued on Page 39

AMEX COMPOSITE PRICES

Prices at 3pm, September 23

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued on Page 39

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Dollar plan springs a surprise

THE DISCLOSURE of the plan to lower the dollar by the U.S. and the four other major world trading nations brought strong gains in stock prices on Wall Street yesterday, but found a more cautious response from the credit sector, *writes Terry Byland in New York.*

At the close the Dow Jones industrial average was 18.37 up at 1,316.31.

The Dow average rose by more than 17 points in the first half-hour in hectic trading. Leading the advance were stocks in technology and other export-orientated industries which will benefit from a lower dollar.

The international plan for the dollar took Wall Street completely by surprise. A lower dollar, together with stable U.S. interest rates, was regarded as a strongly bullish signal for the stock market, offsetting the doubts about the economy which came to a head with last week's disappointing "flash" estimate of GNP growth from the Commerce Department.

But in the credit market, the yield curve steepened significantly, reflecting nervousness over the possible inflationary implications of the plan for the dollar. Short-term rates continued to fall sharply since the international currency plan makes it more difficult for the Federal Reserve to tighten policy – a prospect now ruled out for the near term by most analysts.

Bond prices opened sharply higher but early gains of half a point or so were soon trimmed and trading was moderate. A lower dollar would make U.S. federal bonds less attractive to foreign investors, as well as raising fears of inflation in the U.S. Bond market analysts also pointed to the difficulties – and dangers – of engineering a fall in the dollar, without starting a rout.

The early upswing in stocks was powered by frantic buying from traders who participated in the huge sell-off late on Friday.

IBM led the market with a jump of $1⅝ to $128⅝, and was followed by Burroughs, $1¾ up at $66⅝, Digital Equipment, up $1¾ at $110⅝, and NCR, up $1⅞ at $33¾.

Buyers also sought out stocks of the major pharmaceutical companies, which sell around half their output in export markets where a lower dollar will boost business. After a delayed start, Pfizer jumped $1¼ to $46½, and Bristol-Myers, at $57⅞, added $1¾, Merck, at $109¼, was $1¼ higher, and Abbott Laboratories, at $57, was $1⅜ higher. SmithKline Beckman, which is buying in 5m shares, jumped $2½ to $66.

Chemical industry stocks, also likely to benefit in world markets from a lower dollar, featured a gain of $1⅝ to $47⅛ in Monsanto, $1 to $57½ in Du Pont and $⅞ to $35⅞ in Dow Chemical. Celanese, at $121¼, jumped $3 in further response to brokerage reviews.

Hopes of gaining increased passenger traffic if the U.S. economy is boosted by a lower dollar lifted airline stocks. American added $1 to $42¼, but the most active stock in the sector was Delta, up $⅞ to $43⅝.

Stocks in industries which are open to increased competition from imports made a more cautious response to the plan for the dollar. Gains in the Detroit carmakers were trimmed, leaving General Motors $¾ higher at $68½, and Chrysler $⅞ up at $38¾. Ford, which is following GM to higher prices, was also helped by settlement of a labour dispute in Ohio, and gained $⅝ to $43⅝.

Stock in SCM edged up $⅛ to $72¾ in light trading after Hanson Trust lawyers said its bid for SCM could be raised.

Across the wider range of industrial issues, gains were moderate. Colt Industries added $⅛ to $60¾, and International Harvestor added $⅛ to $7⅞. Minnesota Mining stood out with a gain of $1¼ to $76 but Cincinnati Milacron at $19½ put on only $⅛.

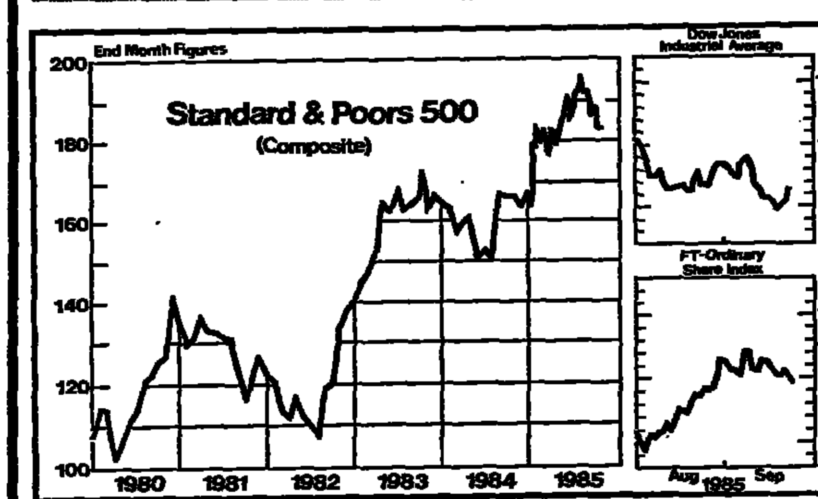
Banking issues benefited from the likelihood that interest rates will remain weak. Bankers Trust added $¾ to $62½ and J. P. Morgan added $⅞ to $45⅞.

In the credit market, three-month Treasury bill rates plunged by 15 basis points to below the levels of July, when the market was looking for a cut in discount rate. Other short-term rates followed suit, with federal funds easier after the Fed made $2bn in customer repurchases when the rate touched 7[15/16] per cent.

In the bond market, near-dated issues remained a quarter of a point up but longer dates fluctuated around pre-weekend levels, after shedding their initial gains of half a point or so. The key long bond reversed an early rise to trade [11/32] lower.

The Shadow Open-Market Committee, a private group which measures the impact of Federal Reserve and government policies, commented that "the long-term effect (of the dollar plan) is inflationary. The gold market already sees that."

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Sept 23	Previous	Year ago
DJ Industrials	1,315.08*	1,297.94	1,201.74
DJ Transport	658.47*	649.34	518.69
DJ Utilities	153.42*	152.80	135.31
S&P Composite	184.20*	182.05	165.67
LONDON	Sept 23	Previous	Year ago
FT Ord	995.3	1,002.2	863.4
FT-SE 100	1,292.1	1,298.7	1,127.0
FT-A All-share	628.33	631.43	528.24
FT-A 500	689.99	692.76	576.26
FT Gold mines	312.9	310.6	564.6
FT-A Long gilt	10.24	10.37	10.41
TOKYO			
Nikkei-Dow	closed	12,866.9	10,505.1
Tokyo SE	closed	1,007.46	814.49
AUSTRALIA			
All Ord.	959.7	945.6	725.7
Metals & Mins.	512.6	504.2	432.0
AUSTRIA			
Credit Aktien	99.43	99.85	54.23
BELGIUM			
Belgian SE	2,490.34	2,500.40	–
CANADA	Sept 23	Prev	Yr ago
Toronto			
Metals & Minls	1,944.6*	1,919.8	1,958.0
Composite	2,688.1*	2,672.1	2,385.1
Montreal			
Portfolio	131.47*	130.99	118.06
DENMARK			
SE	216.38	216.51	170.0
FRANCE			
CAC Gen	216.2	218.0	177.7
Ind. Tendance	121.9	122.9	116.3
WEST GERMANY			
FAZ-Aktien	522.00	526.06	365.16
Commerzbank	1,538.9	1,552.8	1,058.2
HONG KONG			
Hang Seng	1,535.45	1,549.46	1,000.08
ITALY			
Banca Comm.	394.41	397.81	215.01
NETHERLANDS			
ANP-CBS Gen	218.8	221.5	176.3
ANP-CBS Ind	192.5	193.6	137.2
NORWAY			
Oslo SE	367.75	336.72	257.52
SINGAPORE			
Straits Times	785.47	778.98	893.52
SOUTH AFRICA	Sept 23	Prev	Yr Ago
JSE Golds	–	1,066.5	971.1
JSE Industrials	–	959.8	857.1
SPAIN			
Madrid SE	108.40	108.89	146.6
SWEDEN			
J & P	1,392.55	1,399.52	1,446.31
SWITZERLAND			
Swiss Bank Ind	485.9	494.1	377.2
WORLD	Sept 20	Prev	Year ago
Capital Int'l	213.5	213.0	183.1

GOLD (per ounce)

	Sept 23	Prev
London	$327.50	$319.50
Zürich	$326.55	$318.75
Paris (fixing)	$333.09	$320.79
Luxembourg	$330.25	$319.00
New York (Dec)	$333.75	$323.80

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 23	Previous	Sept 23	Previous
$	–	–	1.427	1.37
DM	2.7315	2.844	3.8975	3.895
Yen	231.7	240.05	330.5	328.75
FFr	8.345	8.6775	11.9075	11.8875
SwFr	2.24	2.3415	3.195	3.2075
Guilder	3.0665	3.195	4.375	4.3775
Lira	1,836.5	1,910.0	2,620.75	2,616.75
BFr	55.2	57.5	77.75	78.75
C$	1.3657	1.37755	1.9514	1.885

INTEREST RATES

	Sept 23	Prev
Euro-currencies (3-month offered rate)		
£	11[9/16]	11[9/16]
SwFr	4⅝	4[11/16]
DM	4½	4⅝
FFr	19⅛	9[15/16]
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅛	8[3/16]
6-month U.S.$	8[5/16]	8[5/16]
U.S. Fed Funds	7⅞*	7[15/16]
U.S. 3-month CDs	7.80*	7.85
U.S. 3-month T-bills	7.86*	7.995

U.S BONDS

Treasury	Sept 23*		Prev	
	Price	Yield	Price	Yield
8⅝ 1987	100[5/32]	8.84	99[31/32]	9.062
10⅝ 1992	100[25/32]	10.18	100[11/32]	10.289
10½ 1995	100[25/32]	10.36	100[12/32]	10.435
10⅝ 2015	100[5/32]	10.61	99[19/32]	10.679
Corporate	Sep 23*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	99⅜	10.45	99⅜	10.45
3⅞ July 1990	81½	8.70	81½	8.70
8¾ May 2000	82⅞	11.15	82⅞	11.15
Xerox				
10⅞ Mar 1993	98½	10.92	98½	10.92
Diamond Shamrock				
10⅜ May 1993	96½	11.32	96½	11.32
Federated Dept Stores				
10⅜ May 2013	92⅜	11.50	92⅜	11.50
Abbot Lab				
11.80 Feb 2013	101⅝	11.60	101⅝	11.60
Alcoa				
12¼ Dec 2012	98⅜	12.40	98⅜	12.40

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	75–12	76–03	75–06	75–14
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	92.90	92.94	92.86	92.75
Certificates of Deposit (IMM) $1m points of 100%				
Dec	92.03	92.14	92.00	91.87
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	91.67	91.75	91.64	91.50
20-year Notional Gilt £50,000 32nds of 100%				
Dec	112–31	113–10	112–28	112–07

COMMODITIES

(London)	Sept 23	Prev
Silver (spot fixing)	429.60p	443.15p
Copper (cash)	£943.50	£978.00
Coffee (Sept)	£1,581.50	£1,651.50
Oil (spot Arabian Light)	$27.45	$27.45

TOKYO BOND MARKET

Weak yen inhibits institutions

FOREIGN bond purchases by Japanese financial institutions have fallen sharply this month, reflecting the drop in U.S. interest rates and the continued weakness of the yen against the dollar since August, *writes Shigeo Nishiwaki of Jiji Press.*

The Ministry of Finance had called for voluntary restraint to foreign bond acquisitions to help arrest the yen's slide.

But life insurance companies – the largest investors in foreign bonds – said initially they had no intention of altering their investment stance because their foreign bond purchases were already limited to 10 per cent of total assets. Other financial institutions also said they would not change their investment behaviour.

Tokyo stock markets were closed yesterday for a holiday

However, they did begin to shy away from foreign bonds when the ministry followed up by investigating their purchases in July and August of so-called "sushi bonds" (foreign currency bonds issued by Japanese corporations), which are not counted as foreign bonds.

The ministry's move affected the bond market, where banks and securities houses were aiming for quick profits. The market soared on expectations that financial institutions' surplus funds would be diverted from foreign to domestic bonds.

The market strengthened against this background. The yield on the benchmark 6.8 per cent 10-year government bond, due in December 1994, fell below 6 per cent to a record low of 5.970 per cent on September 17 – before rebounding to the 6 per cent level.

Net purchase of foreign bonds in the first eight months this year amounted to about $37bn. They rose to $7.1bn in June and to a record $8.5bn in July.

Most of the increase was accounted for by aggressive buying of long-term U.S. government bonds by life insurance companies and other financial institutions, as well as corporations seeking to invest surplus funds in high-yielding instruments.

Foreign bond purchases in September are expected to roughly equal sales. This is partly because cash-rich corporations which joined the move to buy foreign bonds in July have suffered heavy losses from the sharp price decline in their holdings and continued dumping them ahead of closing accounts at the end of September.

SOUTH AFRICA

GOLD shares closed firmer in Johannesburg following a recovery in the bullion price on the dollar's sharp fall.

The firmer trend, also helped by cuts in bank rates announced on Friday, saw Libanon up R2.50 to R42 and Grootvlei up R1.10 to R14.85.

Gains were also recorded in other mining sectors including Rustenburg Platinum which rose R1 to R19.75 and Gencor R1.75 higher at R28.75.

CANADA

PRICES firmed strongly in Toronto following Wall Street's positive reaction to international moves to reduce the value of the U.S. dollar.

The advance was led by golds – bolstered by a higher bullion price – with Echo Bay ahead C$1⅛ to C$18½, Lac Minerals up C$¾ to C$34¾ and Campbell Red Lake rising C$½ to C$31⅛.

Banks edged lower in Montreal while industrials and utilities were firmer.

EUROPE

Plunge in $ triggers shock waves

THE SHOCK WAVES of the plunging dollar were felt throughout the European bourses yesterday as equity prices retreated and bond prices soared. The West German and Belgian exchanges, which hit record levels on Friday, were also mauled by profit-takers.

Triggered by Sunday's decision by finance ministers of the five major industrial nations to co-ordinate action to force a lower U.S. exchange rate, stock markets reeled under the hectic pace of selling as investors braced themselves for lower, as yet undetermined, exchange rate plateaus.

In **Frankfurt**, brisk trading was prompted by an official dollar fixing of DM 2.7248, down 16.24 pfg from Friday, and the Commerzbank index fell 13.9 to 1,538.9.

Worst hit were export and dollar sensitive issues such as carmakers, chemicals and electricals. Trading diminished near the close although some last-minute position squaring by professionals put further pressure on prices.

Porsche, long a hostage to the fortunes and misfortunes of the dollar, plunged DM 75 to DM 1,349. The quality sports car group, which exports 49 per cent of its output to the U.S., is now trading back at its early September levels.

Among other carmakers, Daimler fell DM 28 to DM 958, BMW dipped DM 18 to DM 479 and VW weakened DM 9 to DM 333.50.

In chemicals, Schering retreated DM 10 to DM 509 and BASF lost DM 5 to DM 233.70 ex-rights. Bayer displayed remarkable resilience and held steady at DM 229.70.

Heavy foreign buying developed in Thyssen, which moved against the trend to advance DM 8.40 to DM 148.50, a new high for the year. British investors were noted as particulary active buyers of the steel group. Other steels also rose, with Hoesch DM 1 firmer at DM 129.50.

Also moving against the weaker trend were Rosenthal, DM 3 higher at DM 300, a new 1985 high, and Karstadt, DM 3 up at DM 278, also at a new high for the year in a mixed stores sector.

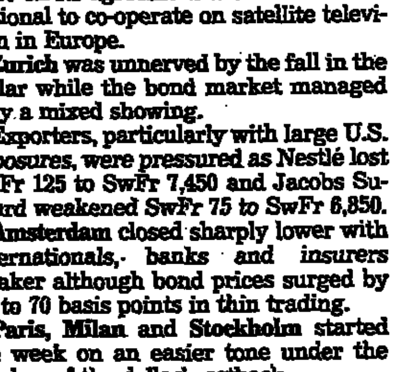
Utilities were narrowly mixed as Veba shed DM 1.50 to DM 241.50 and RWE picked up DM 1 to DM 200.50, a high for the year.

A DM 10 fall for Bayerische Vereinsbank to DM 400 was the worst among financials, although Deutsche Bank was not far behind with its DM 9.80 drop to DM 603.

Blue-chip electricals ended the session weaker with Siemens DM 15.50 down at DM 599 and AEG down DM 3.90 to DM 141.50.

In the bond market, prices were sharply higher on strong domestic demand sparked off by the dollar's plunge and a modest intervention by the Bundesbank. Domestic issues rose by up to 50 basis points, with foreign investors surprisingly absent in the hectic rally. The central bank tempered the advance with sales of DM 93.4m of paper after supplying the market with DM 49.1m on Friday.

A modicum of profit-taking developed in **Brussels**, which turned wary over the path of the dollar. Export oriented issues were also caught in the fray here, although some isolated issues staged creditable performances in the face of the technical retreat from Friday's peak.



The Belgian Stock Exchange index turned 10.06 lower to 2,490.34.

Market leader Petrofina closed BFr 60 cheaper at BFr 6,160 while chemical stock Solvay lost BFr 280 to BFr 5,400.

Among the advances was travel and tourism group Wagons Lits, which surged BFr 250 to a 1985 peak of BFr 3,900. Earlier this month, the group revealed that first-half revenue rose in its major divisions.

Others to rise were Kredietbank, BFr 50 higher at BFr 9,550, a high for the year, and armaments to sports goods manufacturer Fabrique Nationale, BFr 50 up at BFr 2,030.

Financial holding group Groupe Bruxelles Lambert picked up BFr 5 to BFr 2,110 on its agreement with News International to co-operate on satellite television in Europe.

Zurich was unnerved by the fall in the dollar while the bond market managed only a mixed showing.

Exporters, particularly with large U.S. exposures, were pressured as Nestlé lost SwFr 125 to SwFr 7,450 and Jacobs Suchard weakened SwFr 75 to SwFr 6,850.

Amsterdam closed sharply lower with internationals, banks and insurers weaker although bond prices surged by up to 70 basis points in thin trading.

Paris, Milan and **Stockholm** started the week on an easier tone under the shadow of the dollar's setback.

LONDON

THE continuing rise in sterling against the dollar prompted sharp gains in London gilts yesterday, but depressed major exporting sectors.

At times, gilt-edged dealers were marking longer-dated stocks up by 1⅛ in places but these gains fell back to just over a point at the end of the day. Improvements among short-dated maturities ranged to ⅝.

Conversely, the FT ordinary share index closed 6.9 down at 995.3, reflecting concern about the dollar earning potential of international equities.

Meanwhile, sectors which usually respond to revived interest-rate optimism – stores, properties and discount houses – displayed widespread improvements.

Chief price changes, Page 39; Details, Page 38; Share information service, Page 36–37

HONG KONG

PESSIMISM about the local economy and the fall in the value of the U.S. dollar against other world currencies sent prices down in thin Hong Kong trading.

The Hang Seng index fell steadily during the day to close 14.01 down at 1535.45 amid fears that the forecast for the colony's 1985 gross domestic product would be reduced.

Hang Seng Bank ended 75 cents down at HK$41.25, Hongkong Electric Holdings fell 10 cents to HK$7.85, Hutchison Whampoa lost 10 cents to HK$25.50 and Jardine Matheson fell 40 cents to HK$11.20.

AUSTRALIA

PRICES closed firmer in Sydney, aided by continuing demand for BHP amid takeover rumours and a shortage of sellers.

The All Ordinaries index ended the day 14.3 higher at 959.7.

The keen demand for BHP – at the centre of takeover speculation – pushed it up 14 cents to A$7.54, while CSR rose 7 cents to A$3.18, Bell Resources put on 20 cents to A$8.20 and Western Mining increased 10 cents to A$3.88.

Among gold, Central Norseman rose 20 cents to A$8.20, Kidston 10 cents to A$5.20 and Renison 26 cents to A$5.50.

SINGAPORE

SPECULATIVE buying helped Singapore to close generally higher in active trading although late profit-taking reduced gains slightly.

The Straits Times Industrial index gained 2.78 to 785.47 while volume was down from 29.7m shares on Friday to 26.9m.

Most active was Raleigh Cycles with a turnover of 2.9m. It closed 30 cents higher at S$3.05. Norsechem gained 24 cents to S$1.97 with 1.5m shares traded.

There are still two things you can count on: Pure gold and Canada.

An investment today in gold should be considered as a form of insurance. Just as a central bank's reserve of pure gold (995 or purer) insures the wealth of a nation, pure gold can insure your financial security and independence in the future. An insurance policy, however, is only as good as what or who stands behind it. Therefore, when insuring your wealth, you should consider the advantages of Gold Maple Leaf coins from Canada.

Canada's Gold Maple Leaf offers many advantages. It is recognized throughout the world and requires no costly assay at resale to determine its purity. Also, a portion of the premium you pay over the price of gold is recovered on resale.

The Gold Maple Leaf is the purest gold bullion coin in the world–999.9 fine gold. It contains no base metals, which only add weight and no real value. Rather, it contains only pure Canadian gold. The government of Canada produces the Gold Maple Leaf and guarantees its gold content and purity.

This guarantee is embodied in the symbol of the country–the maple leaf. The Gold Maple Leaf is legal tender in a country well-known for its stability, independence, and freedom.

The value of your financial insurance policy can be found in the financial pages throughout the world. The price of the Gold Maple Leaf, which contains a minimum of one ounce pure gold, is directly related to the daily price of gold.

Therefore, when planning the insurance of your investment portfolio, be sure to consider the advantages of Gold Maple Leaf coins. After all, central banks demand a guarantee of source and purity, and so should you.

Gold Maple Leaf. There is no substitute for purity.

Gold Maple Leaf is available at most banks, savings banks and coin dealers internationally.